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Japan Considers Sending KEDO Team to DPRK

SK0112003895 Seoul YONHAP in English 0021 GMT 1 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 1 (YONHAP) — Japan is consulting with South Korea and the United States over a plan that calls for sending a survey team of the Korean Peninsula Energy Development Organization (KEDO) to Sinpo, North Korea, for the third time in December, the SANKEI SHIMBUN reported Friday.

The proposed team, comprising technicians from all three countries, will focus its survey activities in Sinpo, the candidate site for the construction of light-water reactors, on a geological survey for the purpose of finding out if there exists active dislocation which causes earthquakes, the daily said.

KEDO's first survey group, which visited Sinpo last August, concluded that the city is an adequate reactor construction site in terms of water resources for cooling and other purposes as well as the transportation of machinery and equipment.

With the second team currently conducting a detailed safety study using seismographs, the scheduled third team will also look into if the rock bed of the area can sustain shocks like tremors, according to the vernacular paper.

Should it be confirmed in the forthcoming inspection that the area has no safety problems, safety hazards for the construction of light-water reactors would be almost resolved, it added.

Pacific Forum Official Condemns French Test

LD2211105595 Wellington Radio New Zealand International in English 0800 GMT 22 Nov 95

[FBIS Transcribed Excerpt] The secretary general of the South Pacific Forum, Ieremia Tabai, has expressed outrage at the fourth nuclear weapons test by France. [passage omitted] Mr. Tabai says France has once again ignored overwhelming opposition by both the international and regional communities against nuclear testing. He says since France began its current nuclear test program in September, international opposition has continued to intensify. [passage omitted] Mr. Tabai says the latest explosion has further eroded France's relations with member countries of the South Pacific Forum.

And the Fiji Government has condemned the test as a violation of human rights in the South Pacific. Fiji's foreign minister, Filipe Bole, lashed out at the French Government for what he described as an arrogant and obstinate attitude to the Pacific peoples and the rest of the world.

ASEAN Cooperation Urged at Pacific Rim Forum

BK3011130995 Bangkok THE NATION in English 30 Nov 95 p B2

[Unattributed report]

[FBIS Transcribed Text] It is inevitable that Australia and New Zealand will join ASEAN as a means of achieving increased economic growth, according to a former deputy prime minister of Thailand.

Speaking at the Pacific Rim Forum yesterday, Dr Suphachai Phanitchaphak said there were reasons to believe that ASEAN would enjoy vibrant growth for years to come.

First, he said the industrial structure of ASEAN is unique in the sense that its industries have been developed to complement one another.

He predicted that, as a result, ASEAN members would increase cooperation to promote further economic growth. Potential cooperation includes allowing easier labour movement between member countries and more cross-listing among ASEAN companies.

In the next century, Suphachai forecast that the world economy would be divided into three blocks; Europe, America and Asia. He said that, therefore, Asian countries, particularly ASEAN members, should join forces to enhance their economic power in the 21st century.

According to Suphachai, ASEAN might have less flexibility to pursue the liberalization goals of the Asia Pacific Economic Cooperation (APEC) because the APEC forum was formed under the umbrella of the World Trade Organization (WTO). ASEAN, therefore, should explore the opportunity to develop the region into a common market to maximize competitiveness.

Gerald Segal, senior fellow of the UK-based International Institute for Strategic Studies, however, warned that Asian nations should not become too overconfident based on their short-term buoyant economic growth and neglect to prepare for future problems.

He said there was no question that Asia would maintain its wonderful growth rate until the end of the decade, but he questioned what would happen beyond that if Asian nations failed to cope effectively with long-term negative issues.

He said that environmental protection, for example, would emerge as a major problem. He added that Asian nations should take a leading role in tackling environmentally related problems caused by industrial development.

Moreover, he believed that ASEAN nations should be prepared to cope with issues such as how the well-being of society could be maintained amidst the push for change.

Another area of concern was the question of identity. He wondered what would be the role of ethnic Chinese and Islam in the region.

Pacific rim countries are also facing a knowledge crunch. He noted that most well-educated Asian students were trained in the United States, Europe or other Western nations. The trend raises the question of whether the region lags behind in innovation.

In addition, Suphachai said the future of Asian economic growth is based, more or less, on the flow of capital and foreign direct investment from Japan. Therefore, the potential for a collapse of the Japanese financial system was an extremely scary scenario for the future.

The next challenge facing Asian countries is cementing the role of democracy in the region, and fitting Mainland China into the scenario.

He said, "China is now the only non status-quo power in the world."

Thai Finance Minister Addresses Pacific Forum

BK3011134995 Bangkok BANGKOK POST in English 30 Nov 95 p 17

[Unattributed report]

[FBIS Transcribed Text] The tight monetary policy will remain while the large inflow of foreign capital fuels inflationary pressure, Finance Minister Surakiat Sathianthai said yesterday.

He explained the government's fiscal and monetary policies in a keynote address to the Pac [Pacific] Rim Forum.

Economic overheating has been tackled by the issuing of central bank bonds to absorb liquidity, requiring banks to hold 7 percent cash reserves against short-term baht deposits by non-residents, tightening the foreign exchange exposure limits of banks, and raising the minimum amount of loans through Bangkok International Banking Facilities to US$2 million.

The policy has stabilised the economy, liberalised trade and improved production efficiency, but has failed to tackle problems of income distribution, personnel and technology development and environment protection, he said.

"The government should pursue an aggressive fiscal policy to cushion external disturbances and to reap more mutual benefits from less-developed countries."

The government would have a balanced budget of 843 billion baht for the 1996 fiscal year, he said.

In the financial services sector, Thais and their joint-venture partners could apply for licences to set up private banks from December 1.

To encourage Thai financial institutions to move gradually toward the ultimate goal of universal banking, cross-holding limits on commercial banks and finance companies would be relaxed from 10 percent to 30 percent, he said.

Turning to tariff reform, he said the government believed out-of- date taxes needed to be either removed or replaced, such as stamp duty and business tax. These reforms would depend on the government's fiscal position and the performance of the value-added tax system, he said.

First International Christian Democrats Conference

BK2111042795 Quezon City Radio Filipinas in English 0230 GMT 21 Nov 95

[FBIS Transcribed Text] President Ramos and [Chile's] President Eduardo Frei Ruiz-Tagle are the main guests in the first international conference of Christian Democrats which opens today at the PICC [Philippine International Convention Center]. Raul Manglapus, Christian Democrats International vice president, told newsmen the (five) day summit will be participated in by some 1,500 local and foreign delegates from at least 16 countries and will discuss ways and means of enhancing a free market economy under basic Christian Democrat ideology.

Also yesterday, the Philippines signed an investment promotion agreement, this time with Chile, it is the highlight of the two-day visit to Manila by President Eduardo Frei Ruiz-Tagle, the first Chilean head of state to come to the Philippines. The accord is designed to expand economic relations between the two countries. The Philippines and Chile are also considering cooperation in building naval and fishing vessels and education exchanges. President Ramos told a joint news conference it was important that Chile and the Philippines march together and cooperate closely.

Reaction to SRV Offer To Host ASEAN Summit

BK3011135295 Bangkok THE NATION in English 30 Nov 95 pp A1, A2

[Report by Kunchada Chaiphiphat]

[FBIS Transcribed Text] Vietnam has taken ASEAN colleagues by surprise with its offer to host the Sixth ASEAN Summit in 1998, as the summit will be held only three years after its admission to ASEAN as a member in July this year.

Vietnamese officials in Hanoi confirmed the offer was made by Vietnamese delegates during the ASEAN senior officials' meeting in Jakarta last week where preparations were being made for the upcoming Fifth ASEAN Summit in Bangkok.

The officials said the ASEAN senior officials agreed to the offer but that further discussions are required in the run-up to the Bangkok Summit to be held from Dec 14-15.

The host of the next summit will be announced in the Bangkok Declaration to be signed by the seven ASEAN leaders. "We can only say (whether we will hold the sixth summit) after this summit," said an official who asked not to be named.

An ASEAN source told THE NATION that Vietnam's offer to host the summit took ASEAN friends by surprise but was greeted with a warm welcome. Brunei, which was supposed to be the first choice to host the next summit has been consulted and is supportive of Vietnam's offer, said the source.

Brunei has never hosted the summit since joining ASEAN in 1984, but the country has hosted two ASEAN annual ministerial meetings — one in 1989 and the other this year.

The Vietnamese bid to host the summit is seen by ASEAN officials as a bold step and a bid to prove that the country is willing to share the grouping's burdens as well as to quell doubts among ASEAN that Vietnam is not fully committed to fulfilling all its obligations as a member.

ASEAN foreign ministers reached a decision in Brunei to allow its newest member to join the ASEAN Free Trade Area in 2006, three years later than the ASEAN Summit schedule for its other members so as to allow the country to adjust its economic structure.

Since July this year, Vietnam has hosted three meetings — the ASEAN senior economic officials meeting; the special meeting of ASEAN director-generals; with the meeting of ASEAN director generals on customs the most recent. Vietnam will host the first ministerial meeting in six years.

ASEAN states take turns on the basis of the alphabetical order of the first letter of each country's name when hosting annual ministerial meetings. The leaders' summits have been fixed at three year intervals since the Fourth Summit in Singapore. The ASEAN organization comprises Brunei, Indonesia, Malaysia, Philippines, Singapore, Thailand and Vietnam.

The previous three summits were held when the need arose. The first summit was held in Jakarta in 1976, the next in Kuala Lumpur in 1977 and then in Manila in 1987.

As Vietnam only joined ASEAN as its seventh member in July this year, it will play host to the leaders' summit in the shortest time frame after admission to the grouping compared to any other member state.

If Vietnam skips its chance to play host to the summit in three years, it will have to wait 18 years for another opportunity.

Thailand, the host of the upcoming Fifth Summit, has waited 28 years since the grouping was founded here in 1967 to host the summit.

Vietnam also plans to host an international meeting of Francophone nations in the middle of next year. The country is gearing up to upgrade its infrastructure, including its hotel facilities, in preparation for the meeting and to cope with the impact of its economic liberalization and growing internationalism.

Japan

Tokyo-Washington Aviation Talks Remain Apart

OW0112044395 Tokyo KYODO in English 0400 GMT 1 Dec 95

[FBIS Transcribed Text] Washington, Nov. 30 KYODO — U.S. and Japanese negotiators remained apart over so-called "beyond rights" Thursday [30 November] after three days of talks on reviewing the air cargo portion of the bilateral aviation treaty, Japanese and U.S. officials said.

The two parties agreed to meet again in late January, probably in Tokyo, to follow up on conflicting proposals they presented at the session for modifying the "beyond rights" granted to air cargo carriers under the 1952 aviation treaty, the officials said.

A Japanese official who took part in the talks said the two sides offered "completely different ideas."

A U.S. Transportation Department spokesman described the talks as "amiable," but said, "we are not expecting (an agreement) any time soon," with the deadline set for next March.

But, negotiation sources said the two sides appeared ready to start considering ways to bridge the gaps, which were so wide that they would not be able to reach an agreement by the March deadline if both sides stick to their positions.

The sources said the Japanese side proposed limiting the number of additional destinations and flights to be permitted for U.S. carriers flying to Japan until Japanese carriers are allowed a comparable number of flights and destinations.

The Japanese official said that Japan is just seeking "equality" in the beyond rights, as Tokyo believes the aviation pact unduly favors U.S. carriers.

The U.S. spokesman said that the American side called for liberalizing flights, apparently referring to Washington's global "open sky" initiative of mutually easing all government restrictions to gain wider access to Asian markets via Japan.

The sources said the U.S. proposal called for a four-stage liberalization that would in the end lead to an "open sky" agreement in 2001.

But it effectively maintains the current beyond rights by allowing new flights and destinations only gradually to Japanese carriers until an "open sky" accord is reached, the sources said.

The United States and Japan agreed to begin negotiations to review the air cargo portion of the aviation treaty when they reached an accord in July through cabinet-level talks on the issue of Japan withholding a request by major U.S. cargo carrier Federal Express Corp. to expand its Pacific routes via Japan.

Under the July accord, Japan allowed Federal Express to add seven new routes in exchange for the U.S. side agreeing to review the treaty's air cargo portion with a target of finding a solution by next March, and also authorizing Chicago-bound flights by two Japanese air cargo carriers from Kansai International Airport near Osaka.

Little progress was made at the first negotiations in Tokyo in September, but it was agreed that concrete proposals would be presented at the Washington session.

Hashimoto Cites Base Issue as 'Major Task'

OW0112052595 Tokyo NHK General Television Network in Japanese 0300 GMT 30 Nov 95

[Announcer-read report; from the "NHK News" program]

[FBIS Translated Text] The Liberal Democratic Party [LDP] held a ceremony today to mark the 40th anniversary of its founding.

In a speech commemorating the occasion, President Ryutaro Hashimoto stressed his intention to have the LDP takeover the position of the prime minister on condition that the coalition administration is maintained.

Prime Minister Tomiichi Murayama, chairman of the Social Democratic Party of Japan [SDPJ], and Finance Minister Masayoshi Takemura, leader of Sakigake [Harbinger], also attended the ceremony as guests.

In his speech, Hashimoto stated that he stakes his political fate on making the LDP a party that the people can, once again, pin their hopes on.

[Begin Hashimoto recording] I believe the maintenance of the three-party coalition of the LDP, the SDPJ, and Sakigake under the Murayama administration has to be pursued with the understanding of the party members, associate members, and supporters. While treasuring the relationship of trust developed through our experience in maintaining the three-party coalition, our thinking remains to be: If we can win the understanding of party members and associate members, and the cooperation of other political parties, we should aim at establishing an LDP-led administration to realize the ideals and policies of our party. [end recording]

Hashimoto also named the following as major policy issues for the future: restructuring Japan-U.S. relations, rapid economic recovery, and promotion of administrative and fiscal reforms — including the reorganization and consolidation of central government ministries and agencies. He stated specifically that in the area of relations with the United States, solving the U.S. bases issues is a major task for the LDP.

Tokyo Considering Sites for Live-Fire Drills

OW0112105895 Tokyo YOMIURI SHIMBUN in Japanese 30 Nov 95 Morning Edition p 3

[FBIS Translated Text] On 29 November, the government started a full-scale study on using "in rotation" five Ground Self Defense Force training fields for relocating live-fire drills by the U.S. Marine Corps [USMC] on Okinawa. The decision is the result of the following: First, Prime Minister Tomiichi Murayama thinks the pains of the Okinawan people should be shared among all Japanese citizens. Second, if the USMC drills are relocated to one location, it would affect the training schedules of the Self-Defense Forces stationed there.

The Okinawan Prefectural Government has been insisting the live-fire drills around the prefectural highway is "extremely dangerous and likely to destroy natural environment," and the Japanese and U.S. Governments are negotiating measures to meet the Okinawan demand for relocating the drills. However, the bilateral negotiations are making slow progress, although the U.S. Government has no problem with removing the drills from Okinawa. This is because the mainland Japan does not have the perfect places for relocating the drills.

At first it was considered most likely that the USMC firing drills would be moved to Higashi-fuji Training Field, which stretches over Shizuoka and Yamanashi Prefectures. However, the Japanese Government now thinks "it may be difficult to relocate all the drills" to Higashi-fuji, because the training schedule of the Self-Defense Forces is too crowded there. Therefore, the government began to looking into the possibility of using four other training fields in Hokkaido, Miyagi, and Oita "in rotation" with Higashi-fuji.

Agency Head Notes Difficulty of Base Issue

OW3011144595 Tokyo YOMIURI SHIMBUN in Japanese 29 Nov 95 Morning Edition p 2

[FBIS Translated Text] Director General Masaaki Takagi of the Okinawa Development Agency touched on proposals for reorganizing and reducing U.S. military bases presented by the Okinawa prefectural government, saying: "I do not think the Okinawans really believe issues that have been pending for years can be completely settled within a year. The government has to make impressive efforts in talks with the U.S." Speaking at a news conference after a cabinet meeting held on 28 November, Takagi stated that it will be difficult to win Okinawans' understanding within the one-year deadline set by the new consultative body on issues related to U.S. military bases on Okinawa.

On the other hand, he said that jet noise, pollution, other environmental issues, and reactivation of the three-party liaison council "may be settled within one year."

Kono on Persuasiveness of USFJ Cut Request

OW0112111495 Tokyo ASAHI SHIMBUN in Japanese 30 Nov 95 Morning Edition p 7

[FBIS Translated Text] At a 29 November joint session of the House of Representatives Committee on Foreign Affairs, Special Committees on Security, and on the Okinawa and northern problems, Foreign Minister Yohei Kono commented on the possibility of reducing the strength of U.S. Forces in Japan [USFJ] if circumstances on the Korean peninsula are stabilized. He said: "I believe the United States has decided on the troop strength of 47,000 after studying it from various angles. It is not a matter that should be handled in line with improvement in the circumstances of a certain area. We should carefully consider whether or not (an idea of Japan requesting the reduction) is persuasive." He made this remark in a reply to (New Frontier Party member) Mr. Katsuya Okada's question that "Does Japan have the intention to propose a reduction in the USFJ if the circumstances on the Korean peninsula are stabilized?"

Former Envoy on Importance of Security Treaty

OW0112053095 Tokyo SAPIO in Japanese 6 Dec 95 pp 92-94

[Article by Hisahiko Okazaki, former ambassador to Thailand: "Sensational and Emotional 'Argument for the Abolition of the Security Treaty' Triggered by the Okinawa Issue is Dangerous"]

[FBIS Translated Text]**The Government Should Preach the Importance of the Japan-U.S. Alliance to Okinawa**

Viewed from the overall trend of Japan-U.S. relations, the biggest theme between Japan and the United States is confirmation of the Japan-U.S. alliance. It is safe to say that the primary concern of both countries is to emphasize how important the Japan-U.S. alliance is.

The only theme of the first two years of the Clinton administration was Japan-U.S. economic friction. The numerical targets claimed by the United States were unreasonable, so Japan could not say "yes." While such negotiations continued, the atmosphere became worse, and the mutual relationship became quite cold.

Therefore, last November, Assistant Secretary of Defense Joseph Nye initiated reaffirmation of the Japan-U.S. Security Treaty, the Japan-U.S. alliance. This was compiled into Nye's "Report On Eastern Asia Strategy," released at the end of February this year. In the report, the firm maintenance of the Japan-U.S. alliance through the Japan-U.S. Security Treaty is clearly written. The report also says that the United States is going to station 100,000 U.S. troops in Japan and the Asian region for more than 20 years from now.

Recently the Japanese and U.S. governments made preparations to realize the contents of the Nye report.

Then the Okinawa issue came to the surface. Triggered by the alleged rape of a school girl by three U.S. servicemen, the anti-base movement is growing in Okinawa. However, among the Okinawan people, only the Japan Communist Party and some radicals are calling for the "abolition of the security treaty."

The great majority of the Okinawan people are of the opinion that the security treaty is certainly important. However, if this is the case, the burden of continuing the security treaty must be shared by Japan as a whole. Why is it that only Okinawa has to bear the burden? All problems start from this.

In short, the recent Okinawa issue is essentially Japan's domestic problem. The Okinawan people are conscious that Okinawa was once an independent country but was conquered by Japan. Actually, job advertisements in prewar days' in the Kansai area "did not accept Koreans or Okinawans," thus discriminating against the Okinawan people.

Therefore, the recent movement in Okinawa is an anti-Japan struggle — "Japan should take good care of Okinawa" — rather than an anti-U.S. struggle. Essentially, the Okinawa issue is Japan's domestic problem, which must be solved by the Japanese government in a responsible manner.

To solve the Okinawa issue, bases must be located in Japan proper in place of the ones in Okinawa, or Prime Minister Murayama must establish bases in his electoral district, or if that is impossible, monetary compensation must be given to Okinawa. The problem should be solved in this way; essentially, it is not right to ask the United States to solve it. It is irresponsible to ask the United States to reduce the size of bases in Okinawa.

If the reduction of bases is not realized despite requests, Japan attributes the failure to the United States, worsening the Japan-U.S. relationship all the more.

It is totally wrong for the Japanese Government to assume the attitude that it will negotiate with the U.S. Government concerning the Status of Forces Agreement or the reexamination of bases. The Japanese Government is just evading its responsibility to solve the problem for itself by saying that "it will ask the U.S. Government to solve the problem."

The Japanese Government, which is always evading its responsibility, will continue "to ask the U.S. Government" whenever something happens. And, whenever something happens, there are demonstrations calling for "earlier solution." Then, it is evident that Japan-U.S. relations will deteriorate whenever incidents happen. Soon these will shake the Japan-U.S. alliance.

If the Japanese Government calmly grasps the current international situation, now is the time for the government to preach the necessity of the Japan-U.S. alliance and persuade Okinawa. We have to say that what the Japanese Government is doing now is quite contrary to this principle.

In the First Place, the Cold War Has Nothing To Do With the Japan-U.S. Alliance

Then, why is the Japan-U.S. alliance necessary now? Recently there have been some people who hold the view that bilateral alliances are no longer necessary for security following the end of the Cold War, and that what is necessary now is multilateral alliances aimed at regional Asia-Pacific security. This view, however, avoids reality, if anything.

Although the above view makes reference to "after the end of the Cold War," the Cold War has nothing to do with the Japan-U.S. alliance, in the first place. The pending problems between Japan and the United States at the time of the signing of the Japan-U.S. Security Treaty were only the Korean peninsula and the Taiwan Strait. Before the U.S. 7th Fleet, the presence of the Soviet Army in the Far East was weak and out of the question. It was from the latter half of the 1970's that the Soviet Army in the Far East began to pose a threat to Japan. In short, what the Japan-U.S. Security Treaty had in mind was crises on the Korean peninsula and in the Taiwan Strait. The situation has not changed since then.

Rather, with the passing of 50 years since the end of World War II, the Korean peninsula and the Taiwan Strait are now approaching their finales. In the next 10 years, something is likely to happen in these two areas. Nothing has happened during the past 40 years, but for these two areas the next 10 years is far more dangerous than the past 40 years. Now is the crucial moment for these two areas. And now is the crucial moment for the Japan-U.S. Security Treaty as well.

In that sense, the view that the Japan-U.S. alliance is no longer necessary after the end of the Cold War when the threat of the Soviet Army ceased to exist is based on the memory of only the last 10 years.

Historically, the importance of the Japan-U.S. alliance is evident. It has been Anglo-Saxon countries that Japan has depended on since it opened itself up in the Meiji era. In the last days of the Tokugawa government, the Imperial Army depended on the United Kingdom for the first time. And then Japan concluded the Anglo-Japanese Alliance at the time of the Russo-Japanese War.

Japan is an island country; therefore, if it is on friendly terms with a country that controls the seas, it has no fear of being invaded. Furthermore, the allied country that controls the seas protects trade routes. Consequently, Japan is safeguarded and can make a living as well. Actually, since Japan opened itself up, it enjoyed a very safe, prosperous, and democratic life during the 20 years of the Anglo-Japanese Alliance, and the 40 years of the Japan-U.S. alliance. This is a historical fact.

Let us go back into history and take up the problem of the Anglo-Japanese Alliance. Japan, scrapping the Anglo-Japanese Alliance, switched over to the quadripartite alliance, comprising Japan, the United States, the United Kingdom, and France. However, this alliance was of little help to Japan; it rather hastened Japan's isolation. They all shouted, "Let us make a rule and observe it." Although they shouted loudly, no country was obligated to defend the others under the alliance. Japan chose the way of militarism in the end.

Regarding this point, the above-mentioned Nye report clearly states that a multilateral alliance can never take the place of a bilateral alliance, and that the "former just complements the latter."

If We Do Not Approve the Collective Right of Self-Defense, Workers' Salaries Will Be Halved

Now, seen from the Japan-U.S. relationship, the Japan-U.S. alliance seems stable. However, the alliance contains one great problem.

The problem is that the existing Japan-U.S. Security Treaty is one-sided and is not reciprocal. Let us suppose that a war broke out on the Korean Peninsula and Japanese and U.S. destroyers were running together in the Sea of Japan. If the Japanese destroyers were attacked, the U.S. counterparts would immediately back them up. However, even if the U.S. destroyers were attacked, the Japanese counterparts could not go to help them because they do not have the collective right of self-defense. This is total one-sidedness. Even if the Japanese destroyers know that the enemy will attack them after defeating the U.S. destroyers, they cannot do anything about it. This is quite a silly situation.

Presently, the U.S. Democratic administration does not tell Japan to "reconsider" the collective right of self-defense. If the Republican administration takes the place of the present administration, there is no knowing what will happen. Unless Japan tackles and settles this issue, the maintenance of the Japan-U.S. alliance on a long-term basis will be impossible.

If the Japan-U.S. alliance is scrapped, Japan will again be isolated internationally. If Japan is isolated, it will have to rearm itself. Therefore, the Japan-U.S. alliance has to be maintained somehow or other.

I have repeatedly said this for the last 10 years. Although all the Japanese fully understand this, they actually do not take action. The Japanese are poor at abstract thinking, and they do not take action on the basis of hypothetical problems. Conversely, however, if something serious happens, Japan will move.

Let us suppose that a war broke out on the Korean peninsula. Hundreds of U.S. soldiers are being killed every day. However, Japan, which has 300 fighter planes, does not send even a single fighter plane. Under such circumstances, the Japan-U.S. alliance will never hold up. The United States will say, "See what we will do after the war." Actually, afterwards, the United States would not buy a single car from Japan. The most-favored nation treatment that Japan enjoys will be taken away. When the most-favored nation treatment is taken away, a 100 percent tariff will be imposed on goods exported from Japan, destroying Japanese exports to the United States.

What will happen to the Japanese economy then? Workers' salaries will be halved; there will still be loans to be paid off. Can Japan tolerate such things? When Japan comes to such an impasse, it will fly its fighter planes. Japan will surely fly its fighters under such circumstances.

However, when I tell such a story, everyone is unwilling to listen. Everyone looks as if he were loath to listen to it.

Everyone admits that when Japan comes to such an impasse, it will have to fly its fighters. However, nobody wants to admit it at this time. Therefore, nobody wants to listen to my story, or everyone is loath to listen to it. It is for this reason that I take the trouble to tell my story.

If many Japanese people realize that they will have no alternative but to approve the collective right of self-defense and fly their fighters when a war breaks out, that will serve as a deterrent power and will be conducive to security in Asia.

For example, if North Korea realizes that when it kills U.S. soldiers, Japan will fly its fighters, that itself will constitute a great deterrent power. That itself will contribute to peace and security in Asia. Therefore, I repeat in a loud voice the stories that people are loath to listen to. I think the situation will move in the right direction while I repeat my stories. Well, if I may say so, this is my strategy.

Americans' Worsening Attitude Toward Japan

OW0112011695 Tokyo SAPIO in Japanese 6 Dec 95 pp 100-101

[Report by Seiichi Kondo, councillor of the Japanese Embassy in Washington: "What Should Be Learned From the Survey of Americans' In-Depth Mentality Towards Japan, Which Implicitly is Worsening — Only One Percent of Respondents Could Give Japanese Prime Minister's Name Accurately"; first paragraph is SAPIO introduction]

[FBIS Translated Text] The Japanese are "heterogeneous," "cunning," and "conspiring to conquer the world." It is said that following the collapse of the bubble economy, Americans' attitude toward Japan has shifted from that of bashing [as transliterated] (repulsion) to that of passing [as transliterated] (ignorance). However, the above-mentioned negative images are still strongly-rooted. What aspects of the Japanese have led to such images? Since last year, the Japanese Embassy in the United States has been engaged in a survey of Americans' ingrained thinking on Japan. Based on the results of the latest analysis of the survey, Councillor Seiichi Kondo of the Japanese Embassy gives the following analysis of images of Japan as existing in the psyche of the American people and probes into measures to be taken for improving their images of Japan.

"It has happened after all. The Japanese prime minister is coming to visit Washington, and yet nobody seems to pay any attention." This was in a news report published in the CHICAGO TRIBUNE on the Japan-U.S. summit talks held last January. No trade issue was brought up as the major topic for discussion at the talks. According to an opinion poll conducted by USA TODAY in February 1994, 78 percent of Americans stated that "they are not interested in Japan," and only one percent was able to accurately give the name of the Japanese prime minister. The poll was conducted shortly before the visit to the United States by (then) Prime Minister Morihiro Hosokawa, who is one of the Japanese prime ministers well known even in the United States.

In this way, while Americans are losing their interest in Japan, their negative attitude toward Japan has come to the fore every now and then.

For example, when the U.S. Government denounced Japan for its closed auto market, and announced its readiness to impose sanctions in May 1994, 72 percent of Americans supported the government decision. Moreover, 81 percent answered that the Japanese Government was in one way or another restricting the advance of American products into the Japanese market. It is still fresh in our memory that a few years ago, "the Rising Sun," a mystery novel on Japanese companies trying to conquer the United States under the slogan of "Business Is War," became a best-selling novel.

What on earth is the Americans' true view of Japan?

The True Cause of Negative Images of Japan

Since last year, the Japanese Embassy in Washington has been engaged in a survey of Americans' ingrained thinking on Japan. This survey is based on the hypothesis that the strongest factor regulating a person's actions lies in his feelings. Groups of about 10 citizens are picked at random in various localities of the United States. While they are asked to join in free discussions for about three hours, efforts are made to probe what lies in the back of their minds.

The outcome of the survey has so far revealed that at the back of the average American's mind lies a negative attitude towards Japan, which is stronger than expected. They feel that Japan is "heterogeneous," "closed," "incomprehensible," or "contriving to take over the world." These are the so-called stereotyped images that they have.

Then, why is it that Americans have come to have such negative attitudes towards Japan deep in their hearts? In checking various opinion polls conducted in the past, the outcome of every poll indicates that Americans' attitudes towards Japan have gradually deteriorated in the past 10 to 15 years, and that the cause always lies in economic friction. However, the outcome of the recent in-depth mentality survey has disclosed the following results: In addition to Americans' original image of "the mysterious Orient," the image of the "Japanese as being cunning" as noted in the anti-Japanese propaganda during the war, and in movies, television, and cartoons has come to be accumulated in the Americans' hearts; as a result, a negative image of Japan has gradually but steadily formed; and economic friction is nothing but the outcome of reconfirmation and intensification of "heterogeneous" and "closed" images that already existed.

What is most interesting is that Americans have recently come to have a negative image of themselves, and this fact has been delicately reflected in their view of Japan. Americans have now become oriented to domestic affairs. What lies behind this trend is the fact that an economic fatigue was noticed during the Cold War period, and as a result of an increase of income discrepancy and of such social problems as crime and drugs, people (the so-called typical middle-class Americans) are dissatisfied with their present life, have lost self-confidence, and feel apprehensive about the future. In other words, they have lost the so-called "American dream" that children can generally live better lives than their parents. Turning such psychological unrest inside out, it becomes a sense of threat from Japan and a feeling of jealousy towards Japan. The following remarks made by Americans during the survey may summarize their complicated mentality.

"The image of Japan I have in mind is that of the United States in the 1950's. People were diligent and took good care of the family. Nowadays, we are lazy and indifferent, and we care for nothing. Japan is what we used to be."

"We are enraged with ourselves. We cannot put up with Japan because it has made us feel enraged. When we look at Japan, we note our own defects."

Originally, Americans had the national traits of being cheerful, friendly, and full of goodwill. However, they are now faced with the most serious trial since the founding of the nation: They are now "being asked to reexamine themselves." As a result, they have become internal-oriented. Their fixed idea about Japan that they used to have is now overlapped with their present irritation about themselves. Such an idea will come to the fore only when responding to a report on negative news about Japan. In this connection, the mass media have indicated no interest in the Japan-U.S. summit talks that had nothing to do with trade friction. This is the current situation in the United States, and the recent economic recovery in the United States has not brought about any changes in this psychological pattern.

How To Pay the "Price" Accumulated in the Post-War Half Century

Then, what should we Japanese do to change this negative attitude toward Japan held by Americans?

First of all, we must serenely accept the reality of the American mentality. Just as we Japanese find it difficult to get rid of our insular narrowness [shimaguni konjo], the Americans will not be able to improve their ignorance about foreign cultures right away. Moreover, the American are seriously engaged in reexamining themselves now, and it is necessary for us to understand the Americans' trial and limitations from the perspective of the historical trend.

Secondly, we must understand that it is not the Americans but we Japanese who should be blamed for Americans' negative image about Japan. During the 50 years since the end of the war, we have neglected sending out positive messages to wipe out the negative images about Japan that have resulted from the war. On the contrary, we have devoted ourselves to the economic reconstruction of our country; and to protect our own market, we have claimed that Japan has such and such peculiarities. As a result, the negative image about Japan has been intensified but we could not afford to think about the "dear price" we have to pay for it. We have relied too much on the "broad-mindedness" of the United States as evidenced by its understanding of our circumstances. Nothing can be resolved now if we persist in blaming the United States for "its lack of study." It is Japan's own responsibility to improve the image of Japan.

The United States is a society that is difficult to understand unless it sends out positive messages itself. However, it is true that it has a balanced sense of goodwill that it is always open to such efforts.

Then, what should be done in concrete terms? The survey of ingrained thinking can teach us that the fixed idea is a matter of sensitivity; and that it is not explanations aimed at appealing to rationality but only accumulated actions that can change such ideas. If what led them to form the past fixed idea was actions, then what could lead them to negate it lies in our future actions.

Japan is a fair, transparent society, and therefore other people feel at ease with the Japanese. To make other people cherish such a sense of intimacy, it is necessary for each and every Japanese, as well as organizations such as the government and companies, to always explain — in terms that can be easily understood — their views or policies, and also how such views and policies are formed. When mistakes are made, it is necessary to admit them immediately, offer clear-cut apologies, and take remedial measures.

It should never be forgotten that such efforts will result in a better understanding of, and upgraded trust in Japan not only in the United States but also in the international community.

Article Urges Tokyo To Learn From CIA

OW0112065595 Tokyo HATSUGENSHA in Japanese Dec 95 PP 60-67

[Article by Yatsuhiro Nakagawa, University of Tsukuba professor: "Intelligence and Counterintelligence Activities and a Sovereign State: Japan Without a JCIA is Abnormal"]

[FBIS Translated Excerpt] **GHQ Deleted Four Articles From Criminal Law**

Japan's criminal law strangely has Article 87 following Article 82, with articles 83 to 86 missing. This was because the GHQ [General Headquarters of the Occupation Force] ordered the deletion in 1947, and they have since remained deleted.

Another strange fact was that Japan had never attempted to seriously discuss the restoration of the "four articles in the criminal law that the GHQ ordered deleted" since Japan recovered independence in 1952. That is a disgusting depiction of postwar Japan that denied itself nationhood.

Articles 83 through 86 were provisions for punishment in connection with espionage activities. For example, Article 85 stipulated that "A person who commits espionage acts for enemy countries or who assists enemy countries' espionage agents shall be sentenced to either death or penal servitude of from five years to life. The same shall be applied to a person who leaks military secrets to enemy countries."

In short, Article 85 is simply a mediocre provision that all the world's nations include in their criminal laws or special laws providing for prevention of espionage activities. The GHQ's reasoning for the deletion of this article was not based on the idea that the "Japanese people" might engage in spying activities for foreign countries nor cooperate with foreign espionage agents. Rather it was based on such reasoning that Japan was no longer a sovereign nation, hence there could never be counterespionage acts "to protect the nation state " so long as Japan was under occupation. The responsibility for protecting "Japan," which was no more than an occupied area that was no longer a sovereign country, rested with the GHQ, and the GHQ, not "Japan," was responsible for counterespionage activities.

A sovereign nation can be such because it has absolute authority over "safeguarding the nation." "Safeguarding the nation" consists of the following two components: national defense, militarily defending the nation from physical aggression; and counterintelligence, defending the nation from being spied on — intelligence aggression. The means of national defense in the former case is the "military," and the intelligence means of national defense in the latter case is a "counterintelligence organization."

Thus, the question was answered why the GHQ forced Japan to adopt Article 9 prohibiting it from possessing the "military" in the Constitution and why it ordered Japan to delete Articles 83 to 86 in the criminal law. Should a "nation" that was supposed to be without independence and under occupation possess the "military" and a "counterintelligence organization," that nation would not have lost its sovereignty and independence. If such things were permitted, the GHQ would contradict itself because it amounted to a legal denial of the act of occupation under international law. In other words, the occupation force would contradict itself, unless the GHQ representing the victorious occupation force did not make the occupied "country" implement a total ban of the "military" and a "counterintelligence organization." Article 9 of the constitution, equivalent to a convention of disarmament, and the "deletion of four articles from the criminal law" were no more than natural legal disposition in the enforcement of occupation.

This meant that Japan, which recovered its independence from the occupation force on 28 April 1952, a day before the Emperor's birthday, could not become a really independent sovereign state unless it made an amendment to Article 9 of the constitution and restored in the criminal law the deleted Articles 83 to 86. Japan, after its independence, however, avoided touching on both issues for fear of violent opposition of leftist groups aiming at a communist revolution. Although some small effort was made to improve Article 9 of the constitution, the "deleted four articles of the criminal law" were completely ignored.

In this way, while more than 40 years have elapsed, Japan has not acted by itself to restore its independence and sovereignty. On top of this, for the most part Japan has relied primarily on the U.S. 7th Fleet and the U.S. "nuclear umbrella" for its "military defense," while retaining a small-scale, vulnerable military force called the Self Defense Forces. Similarly, in the "intelligence field of national defense" it has maintained a policy of almost totally relying on the U.S. Central Intelligence Agency [CIA]. Thus, policies of Shigeru Yoshida, prime minister at the time of independence, were unnoticeably inherited and became fixed ones.

By the way, the Japanese people today seem to be forgetting the fact that they are dependent on the United States for both military and intelligence defense. Prime Minister Yoshida's interim policy of not having the military and a counterintelligence organization has unwittingly become a permanent policy, and Japan has to face an era of "the nation without national consciousness" with no interest in both military and intelligence defense.

Intelligence and Counterintelligence

Almost all Japanese people today have a misunderstanding that Japan has a counterintelligence organization at the same level as foreign countries. However, the National Police Agency's Foreign Affairs Division, with a very small number of officers, is Japan's only counterintelligence organization. The Justice Ministry's Public Security Investigation Agency is primarily an organization designed to work out measures to insure domestic public peace and order. An indescribably meager organization in this respect is the Cabinet Information Research Office whose capability as an intelligence and counterintelligence organization is frankly speaking close to nil. In other words, Japan has actually no such organization as Military Intelligence [MI-5], the United Kingdom's counterintelligence agency.

As "exercising military power" is distinguished in international law between illegal "war" and legitimate "self defense," the intelligence war is classified between "intelligence" and "counterintelligence." "Counterintelligence" is to protect a nation's classified military and diplomatic information and delicate and high-level economic and technical information from being leaked to foreign countries by foreign espionage agents, and contrarily intelligence means obtaining such foreign information.

The United Kingdom has MI-5 as the former, and MI-6 — well known from the James Bond "007" movies — as the latter. In the United States, primarily the FBI takes care of the former counterintelligence, and the CIA is in charge of the latter intelligence. In newborn Russia, counterintelligence is under the jurisdiction of the former KGB's Second General Bureau, and the mission of intelligence and strategy is taken care of by the former KGB's First General Bureau. Although the Soviet Union collapsed, Russia inherited the world's largest counterintelligence, intelligence, and strategic organization from the Soviet Union, the vanguard arm of aggression. For a while, the former KGB's First General Bureau was in confusion. Now, about four years have passed since the Soviet Union's collapse and the bureau is working in high gear as it did in the past. It is a downright lie and "disinformation" by Russia to fool the world that the KGB disappeared into oblivion with the collapse of the Soviet Union.

While in Japan, on the other hand, there is a miniature counterintelligence organization — the police "foreign affairs division," as previously mentioned, none at all exists in the field of intelligence. This is an unprecedented extraordinary state of affairs for any nation in human history. During the 50 years since the war, Japan has not dispatched even one espionage agent to foreign countries. It is true that postwar Japan has had no espionage agents.

Whether a nation has laws and a counterintelligence organization is a deciding factor for a nation's independence. But intelligence has nothing to do with a nation's independence. Even though Japan has no intelligence organization nor intelligence agents, Japan's independence is not and will not be legally questioned. In this connection, intelligence organizations are quite different from the military or counterintelligence organizations when seen from the viewpoint of international law.

In anarchical international politics, it is a wholesome action for a nation to have accurate access to information about potential enemy countries in order to protect its own safety and national interest. Without it, a nation cannot assure its survival. Intelligence is the highest priority of a nation for its present and future, along with the military, and counterintelligence.

"If you know of the opponent and yourself, no battles will be lost," as the well-known phrase of Sun-tze goes, it is fundamental for the security of a nation to have information on its enemies and neighboring countries at all times. Internationally speaking, Japan goes beyond the bounds of common sense in being unreasonably indifferent to "enemy information."

Japan Benefits From the CIA

The CIA is an allied nation's benevolent intelligence organization that is substantially helping Japan, at no cost, to make up for the gaps in its intelligence setup. Although it caused a controversy by "eavesdropping" during the Japan-U.S. automobile negotiations, without the CIA's cooperation Japan faces a fatal crisis in its accessibility to high-level overseas information in national defense, as well as the diplomatic field. It is imperative to lodge a strong protest against the CIA's recent eavesdropping case to stop such things from happening again. But at the same time, the realities that the CIA is making contributions to Japan must be valued and must not be hurt in the least.

It is due to the Japan-U.S. Security Treaty that Japan has had generous access to the CIA's countless intelligence information for many years. The security treaty must not be treated only from the military point of view, such as the 7th Fleet or the "nuclear umbrella." The Japan-U.S. Security Treaty has made, and is making, a boundless contribution to Japan's national defense and diplomacy in the intelligence field.

Japan cannot and does not appreciate the value of intelligence. No other such country exists in the world. After denouncing the Anglo-Japan Alliance treaty in 1922, Japan took a reckless diplomatic course in the 30's to the nation's downfall. One of the reasons behind Japan's diplomatic blindness was the total loss of voluminous information provided by Britain in accordance with the alliance treaty.

In Chapter 4 of a book entitled "What is a Strategic Way of Thinking?" Hisahiko Okazaki said the alliance with Anglo-Saxon nations is of indispensable and boundless value for Japan to survive and maintain its prosperity in the world, in the respect that the intelligence abilities and analytical capabilities of the United Kingdom and the United States are the world's best and are accessible "at no cost." Okazaki summarized: "When the Anglo-Japan Alliance was in effect, and under the postwar Japan-U.S. Security Treaty arrangement, Japan did not and does not commit preposterous mistakes; the reason is assumed to be the free flow of information from the Anglo-Saxon world."

Dependence on the alliance with the United Kingdom and the United States is not enough to satisfy Japan's most desperate information needs. Only when Japan makes an all-out effort to collect information and analyze it on its own can its national interest be protected. Thus, it is necessary to set up an intelligence organization, for example one called JCIA. Since intelligence activities are carried out by means of human beings and objects, intelligence staff must be trained and deployed overseas, especially in potential enemy countries, and the biggest emphasis should be placed on gathering information by such objects as earth satellites.

Fifty years have elapsed since the dissolution of Japan's intelligence organizations following its defeat in World War II, and the extraordinary situation wherein Japan, as a nation, has no intelligence specialists has become the "natural situation." It is unavoidable for the future of Japan to reconstruct intelligence organizations in order to make Japan mentally a genuine nation state. [passage omitted]

KGB is Eavesdropping as Freely as It Likes

The Japanese enigma is that it does not make noise, condemn nor criticize the frightful eavesdropping activities being conducted by Russia which is a potential enemy country, or an aggressor nation currently invading Japan's northern territory, or at least a hostile country, while it responded furiously against eavesdropping by an allied nation's CIA.

Eavesdropping devices are set up all over the Japanese Embassy, the Ambassador's official residence, and all residences of Japanese diplomats working at the embassy in Moscow. It is equally true with the homes of Japanese correspondents of newspapers and TV stations. On top of this, all maids and assistants recruited in Russia and working at these homes are either KGB regular employees [officers or noncommissioned officers] or KGB informants. There is no exception. Similarly, more than 10 bugging devices are secretly installed at each hotel room in Moscow where Japanese Government delegates stay to engage in negotiations with Russia. This is to insure continued eavesdropping, even if two or three hidden microphones are detected. In many cases, super miniature TV cameras are secretly installed. No rooms are found without bugging devices.

Since the start of negotiations for Japan-USSR rapprochement in Moscow in 1955, Japanese government delegations were compelled to conduct talks under complete bugging surveillance in Moscow for 40 years. For 40 years since the war, Japan was consistently treated as a "subject state" in diplomatic negotiations with Russia, including talks on the northern territories and Japan-USSR ties, and lately the Japan-Russia fishing talks. But the Japanese mass media which fussed about the recent eavesdropping by the CIA did not say even a word, criticizing the 40-year-long Russian eavesdropping issue.

In other words, the media campaign critical of the CIA eavesdropping activities during the Japan-U.S. economic talks was based on a double standard of permitting all Russian eavesdropping on Japan, while not allowing the United States to do the same. It is nothing other than the "old way of" pro-Russian and anti-U.S. thinking" of the Cold War days. Russia is supposed to be engaged in unlimited eavesdropping on Japanese government agencies and so on, and in recruiting Japanese informants.y

For example, the testimony of the former KGB Colonel Levchenko made public in late 1982 revealed that the KGB Tokyo station in the Russian Embassy at Azabudai in Tokyo has at all times kept the Foreign Ministry's code specialists as its agents. He also testified that the station had discussed whether bugging devices should be installed in the security bureau chief's office of the Metropolitan Police Department. It is thus construed as easy to install such devices in director general's offices of other government agencies. Furthermore, this is a much more certain way of eavesdropping than easily detectable telephone tapping.

Diplomatic relations between nations are based on "reciprocity." If eavesdropping by a country is detected, a sovereign state should retaliate with eavesdropping by this side. It is a wholesome way of thinking for a sovereign nation state to ponder about the way of setting up bugging devices at the Russian Embassy, consulates, diplomats' rooms, and Tokyo offices of Intourist, Aeroflot and Russian mass media.

In the United States there is a 30,000-man-strong government agency called the National Security Agency [NSA] at an undisclosed address. One of its major tasks is domestic eavesdropping on organizations and individuals who are supposed to be security risks. There is no such agency specialized in eavesdropping in Japan. If there were such an office, sarin gas attacks by the Aum Shinrikyo sect could have been prevented.

In other words, it is not "radical" at all for the Public Security Investigating Agency to have an organization specialized in eavesdropping on all organizations suspected to be security risks by at least 3,000 specialists. Really radical are terrorists who manufacture and scatter sarin gas. In order to protect the lives of the people, studies must be made into the establishment of a "Japanese version of the NSA" as well as JCIA.

Stratagem and Counterstratagem

So far, I have primarily dealt with "intelligence" and its counterpart, "counterintelligence." Now I want to touch a little on "stratagem" and "counterstratagem." Stratagem is different from "intelligence" which attempts to steal information and to prevent it from being stolen.

Stratagem means such sabotage works as brainwashing or cheating the opposite government or people by scattering false information or disinformation, or such subversive activities as attempting the overthrow of the opposite government. The field of stratagem by way of disinformation and propaganda is also called psychological warfare.

Japan need not engage in stratagem. But the Japanese Government and the people's brains must be guarded from the incessant stratagem launched by Russia, North Korea, and Communist China with Japan as their "target." It is necessary to decontaminate hostile country's "disinformation" from the government and the brains of the people. This is called "counterstratagem."

Let me cite an example. From 1988 to 1992, Russia acted as if it was returning the northern territory soon, should Japan provide it with economic assistance. Japanese mass media and certain scholars amplified this Russian false propaganda and helped contaminate the Japanese Government and brains of the Japanese people. As a result, it has become customary for Japan to onesidedly provide Russia with economic aid and get fishing boats shot at and seized frequently these days. As a result the number of aggressor Russians rapidly decreased as they fled from the northern territory with the end of the Cold War, but now the population has grown as new-generation Russians come to settle there. This has made the return to Japan of the northern territory more unlikely. Furthermore, as the Russian economy started to recover from around 1993, and munitions production was resumed in earnest, Russia did not bother to speak about the northern territory. Japan missed a chance in a thousand to grasp back the northern territory by taking advantage of Russian weakness during the five-year economic confusion from 1988 to 1992.

One of the major reasons behind this defeat in Japan's Russian diplomacy is that the Foreign Ministry did not and does not have any specialized agency that can counter false propaganda.

To prevent such a big diplomatic blunder from happening, foreign governments have "counterstratagem" offices to counter false propaganda, and to prevent the people from misunderstanding, and overcome the illusions created by such propaganda. Sweden's Psychological Defense Agency (if translated literally: Office to Protect the People's Correct Understanding in Resistance to Intelligence Psychological Warfare) is well known, and the United States has an office in charge of "counterstratagem" in the State Department. Japan cannot protect its national interest unless it has an organization of the same nature for the purpose of preventing the people's brains from being openly contaminated by way of mass media from disinformation that comes from overseas. That is also a natural responsibility of a sovereign country for itself.

To sum up, Japan has to launch earth satellites frequently, newly set up a JCIA in charge of intelligence, increase the number of officers at the police foreign affairs division from the present scores to several hundred, and upgrade it from division to bureau, and resolutely carry out a plan to make it a foreign affairs agency specialized in counterintelligence with more than 2,000 officers.

On top of this, an agency modeled on "Sweden's Psychological Defense Agency" should be created for "counterstratagem" purpose. This office should be attached to the Foreign Ministry.

The post-Cold War may depreciate the role of military power, but the role of intelligence power will grow greater as a matter of course. Japan should learn a valuable lesson from the CIA's eavesdropping controversy to cease being "the country with the poorest intelligence" and become "a great intelligence-capable country."

Keidanren Backs British Secretary's Proposal

OW0112033795 Tokyo KYODO in English
0206 GMT 1 Dec 95

[FBIS Transcribed Text] London, Nov. 30 KYODO — The leader of Japan's most powerful business group vowed Thursday [30 November] to help realize a proposal from British Trade and Industry Secretary Ian Lang to co-host a seminar on deregulation in Japan next April, delegation officials said.

Shoichiro Toyoda, chairman of the Federation of Economic Organizations (Keidanren) who is heading a business mission on a European tour, made the pledge in a meeting with Lang, who said he intended to visit Japan in April, the officials said.

In a subsequent meeting with the delegation, Deputy Prime Minister Michael Heseltine demanded that Japan lower its taxes on whisky to expedite imports.

Britain is a member of the European Union, which is now pursuing its whiskey tax demands against Japan on the basis of the Dispute Settlement Mechanism of the World Trade Organization (WTO).

The Geneva-based world trade body earlier received a complaint that Japan's liquor tax system is distorted in favor of "shochu" distilled spirits at the expense of foreign exporters of whiskey.

Kono Criticizes DPRK Policy Toward Tokyo

OW0112030895 Tokyo KYODO in English
0251 GMT 1 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 1 KYODO — North Korea's continued stance of viewing Japan as an enemy within the United Nations is based on an erroneous perception, Foreign Minister Yohei Kono said Friday [1 December].

"It's a very wrong idea," he told a news conference, commenting on Pyongyang's abstention Wednesday from a vote on removal of the "enemy clause" from the UN Charter.

Kono also noted Japan has fulfilled its duties as a UN member since its admission in 1956 and is currently in a position to make one of the biggest contributions to the world body.

North Korea abstained from the vote, saying Japan, unlike Germany, has not settled the issue of its past conduct.

The UN General Assembly's sixth committee adopted the resolution calling for deletion of the enemy clause, which appears in articles 53, 77 and 107 in the Charter. The enemy states in the articles normally refer to Bulgaria, Finland, Germany, Hungary, Italy, Japan and Romania.

PRC's Wu Blames Toyota for Lack of Investment

OW3011144495 Tokyo NIHON KEIZAI SHIMBUN in Japanese 30 Nov 95 Morning Edition p 13

[By Beijing correspondent Kenji Yuasa]

[FBIS Translated Text] "Toyota Motor Corporation has missed a great chance because of its failure to invest in China." The remark was made by Wu Yi, Chinese foreign trade and economic cooperation minister, during her recent meeting with Japanese business people. Her remark reflects the fact that although China called on Toyota to make inroads into the Chinese market from the 1980's to the early 1990's, which was the period when Beijing hastily fostered its auto industry, the call was not accepted. Recently, Toyota launched a plan to produce engines for passenger cars in China. Thus, the company has shown a positive attitude about advancing into the Chinese market. However, Wu's remark represents China's deep-rooted distrust of the company.

Wu criticized Toyota at a meeting with a delegation of the Japanese Association for the Promotion of International Trade (led by Yoshio Sakurauchi). The delegation visited Beijing until 29 November. According to the association, after noting that "I dare to say this because I want Japanese firms to get a chance," Wu said: "Toyota was satisfied with only exporting its products. The company would have attained great success if it had invested in China earlier. Now, the Chinese market is occupied by Germany and the United States."

In the past, Beijing dispatched senior officials to Japan several times to urge Japanese companies to make inroads into the Chinese market. However, Toyota and other major Japanese automakers did not comply with the request because they were exerting themselves in expanding business in the United States and Europe. Many Chinese have claimed that "Japanese firms, including automakers, are slow in making decisions."

Kono Urges Burma To Listen to Various Opinions

OW0112030695 Tokyo KYODO in English
0212 GMT 1 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 1 KYODO — Myanmar's military rulers should listen to a variety of opinions at home as part of efforts to achieve national reconciliation, Foreign Minister Yohei Kono said Friday [1 December].

"I want the Myanmarese Government to seek national reconciliation or listen to various views in the country," Kono told a news conference.

He was apparently criticizing the military government's announcement Thursday that it has expelled members of the National League for Democracy (NLD), led by Nobel peace prize laureate Aung San Suu Kyi, from a national convention on drawing up a new constitution.

NLD representatives had been attending sessions of the convention since January 1993, but Suu Kyi, released in July from six years of house arrest, said Wednesday she did not accept the parley in its current form and that some fundamental principles adopted by it are undemocratic.

The NLD said it would boycott the convention.

The military seized power after crushing a pro-democracy movement in 1988 that Suu Kyi helped lead. She was placed under house arrest in July 1989.

The NLD won a general election in 1990, but the military refused to hand over power.

EAP Head Urges Fiscal, Administrative Reform

OW0112063695 Tokyo KYODO in English
0302 GMT 1 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 1 KYODO — The nation's top economic planner Friday [1 December] stressed the need for the government to reconstruct fiscal conditions and promote administrative reforms under the newly adopted economic plan.

"It is necessary for the government to deepen public understanding on the issue by mapping out a sort of action program for fiscal and administrative reforms," said Isamu Miyazaki, director general of the Economic Planning Agency (EPA).

He met the press after a cabinet meeting which adopted Japan's new economic plan for fiscal 1995-2000.

Miyazaki was countering criticism that the new economic plan is vague on reform action on the part of the government, while stating it is unavoidable that radical structural reforms envisaged by the plan will involve "some pain" in the private sector, such as employment adjustment.

The government should come up with such an action program after reaching a conclusion on such issues as tax system reforms and the proposed insurance system for care of the elderly.

Miyazaki said it would require a considerable amount of structural reform efforts to attain the average annual growth of about 3 percent and a jobless rate of about 2.75 percent targeted by the new economic plan.

He also said the EPA Secretariat is now working on the government's economic growth estimates for fiscal 1996, which starts next April.

Miyazaki reiterated that he personally thinks the Japanese economy will post an annual growth rate of about 1 percent in fiscal 1995.

The growth rate is expected to rise about 1 percentage point in fiscal 1996 with steady economic recovery, he said.

Guide for Liquidating Housing Lenders Released

OW0112070695 Tokyo KYODO in English
0628 GMT 1 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 1 KYODO — Guidelines for liquidating seven of Japan's eight housing loan companies, including a call for the establishment of a government-backed vehicle to dispose of the companies' debts, were released Friday [1 December] by the three ruling parties.

A policy affairs research group formed jointly by the parties proposed that the seven housing lenders, saddled with huge nonperforming loans to real estate developers and others, should all be liquidated simultaneously.

It also proposed that the debt-disposal institution should buy the problem loans from the housing lenders by raising necessary purchase funds through flotation of government-guaranteed bonds.

The guidelines would also empower the Bank of Japan to provide loans to help the institution dispose of the irrecoverable loans by the housing lenders.

The coalition parties urged the Finance Ministry and the Ministry of Agriculture, Forestry and Fisheries to finalize a scheme for liquidating the seven housing lenders by the end of next week, in line with the new set of guidelines, party officials said.

The coalition parties also vowed to seek to establish the debt-disposal institution by next April, the officials said.

BOJ Has No Plan To Help Liquidate Jusen

OW0112121695 Tokyo KYODO in English
1146 GMT 1 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 1 KYODO — The Bank of Japan (BOJ) has no intention of extending loans to help liquidate financially strained Japanese mortgage companies [jusen], an idea proposed by the ruling tripartite coalition on Friday [1 December], a senior BOJ official said the same day.

A policy task force of the coalition — the Liberal Democratic Party, the Social Democratic Party and New Party Sakigake [Harbinger] — mapped out guidelines for disposing of debts held by the seven mortgage lenders.

The pointers call on the central bank to offer emergency loans to a planned vehicle to take over loans from the ailing companies and recover them with strong powers of enforcement.

The ruling parties, however, had not informed the bank beforehand that it would be asked to provide loans for the dissolution of the mortgage lenders, the official said.

The BOJ partially put up the capital of Tokyo Kyodou Bank, which was established earlier this year to take over the failed Tokyo Kyowa and Anzen credit unions.

In cleaning up the mess at Cosmo and Kizu credit unions as well as Hyogo Bank, the BOJ deployed loans under Article 25 of the Bank of Japan Law which empowers the bank to take emergency steps for keeping the financial system stable.

The commitments were made under the strict condition that the BOJ was the only provider of funds needed for stabilization of the financial system.

In the case of the mortgage lender problem, however, no BOJ funds are necessary because government-guaranteed bonds and other forms of public commitments are planned, the official argued.

Private-sector financial circles, however, are poised to draw on financial support from the central bank if the vehicle for loan recovery falls into a fund shortage, financial sources said.

Daiwa Head: Sumitomo Only Candidate for Merger

OW0112131495 Tokyo KYODO in English
1223 GMT 1 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 1 KYODO — Sumitomo Bank is the only candidate Daiwa Bank can think of for possible merger, the head of scandal-tainted Daiwa Bank said Friday [1 December].

"Unless a merger brings together the strengths of each bank to complement each other's operations, it is meaningless," Takashi Kaiho, president of the Osaka-based bank, told a press conference.

There is nothing to report on the merger plan at present, Kaiho said, because "the priority now is to proceed with the pullout from the United States as ordered by U.S. regulators."

Daiwa Bank was ordered to suspend operations in the U.S. by early February for alleged violations of U.S. regulations, including an attempt to cover up losses in unauthorized bond trading at its New York branch.

Daiwa's U.S. operations are being turned over to Sumitomo.

The merger will be examined when the "momentum rises," Kaiho said, adding that Daiwa Bank will first proceed with its streamlining plan to reduce its workforce to about 7,000.

Daiwa will also strengthen its trust business and consolidate its banking operations in Asia and in western Japan centering in Osaka and Kobe, Kaiho said.

Asked about the withdrawal from the U.S., Kaiho said it will be completed by the end of this year, as both Sumitomo and Daiwa are working hard.

He said Daiwa will expand its trust operations in Japan from next April, particularly in the field of pension fund trusts, with "many investment experts coming back from the U.S."

Daiwa has decided to cut its dividend payments to stockholders to 4.50 yen per share from the 7.0 yen it has paid for the past several years, Kaiho said.

The reduction is inevitable because the bank has to write off nonperforming loans to housing loans companies which are now on the verge of liquidation, he said.

Takemura on Tax Break for Religious Activities

OW0112063795 Tokyo KYODO in English
0245 GMT 1 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 1 KYODO — Finance Minister Masayoshi Takemura on Friday [1 December] questioned tax exemptions for certain activities of religious corporations but said he saw no way to revise the tax system on that point for fiscal 1996 starting next April.

Takemura said at a press conference, "I am aware of the question of how to judge their nontaxable operations other than profit-making business, such as offerings and political activities."

"But, I don't think we can touch it immediately...We will continue studying this subject, expecting further discussions," Takemura said.

As to the preferential taxation system for profit-making businesses run by religious groups, Takemura reiterated the government will review four points of the present tax breaks for possible inclusion of the revisions in tax reform for the next fiscal year.

Takemura has cited the four points, namely, the tax rate, the scope of profit-making businesses, the "deemed donation" system under which 27 percent of profits from such businesses are deemed to be donations and exempted from tax, and tax exemption for nonoperating profits.

On the problem of struggling or failed housing loan companies, Takemura said he hopes for further efforts by the parties concerned to reach a specific settlement scheme, while showing readiness to respect guidelines to be presented by the ruling coalition later the day.

Committee Head on Defense Program Outline

OW3011150595 Tokyo NIHON KEIZAI SHIMBUN in Japanese 29 Nov 95 Morning Edition p 3

[FBIS Translated Text] Kentaro Aikawa, chairman of the Defense Industry Committee of Keidanren [Japan Federation of Economic Organizations], who is concurrently chairman of Mitsubishi Heavy Industries, issued a statement on 28 November on the new National Defense Program Outline. He stated: "We appreciate that the government's intention to maintain the domestic industrial and technological bases for national defense was included in the new program. We hope the government will promote wide-ranging exchanges with the United States in equipment and technology to implement fully the policy on increasing the reliability of Japan-U.S. security arrangements."

However, since the government again stated its policy of cutting the budget for aircraft and other frontline equipment in the new defense plan, Yoshihiro Fujii, chairman of the Shipbuilder's Association of Japan, stressed that "the concerned industries need to make more self-help efforts." Senior officials of the Society of Japan Aerospace Companies also stated: "We hope the government will give special consideration to maintaining the defense industrial base, including related small and medium firms, in the Mid-Term Defense Program to be formulated in the near future."

The defense industry appreciates that the government avoided directly touching on the "three principles on arms export" in the new program, because it has called for the relaxation of such rules. Concerning the ban on arms exports, Keidanren worked out a proposal calling for special permission to export parts necessary for joint development and production only to the United States this spring.

Editorial Views Problems in New Defense Outline

OW0112122995 Tokyo MAINICHI SHIMBUN in Japanese 30 Nov 95 Morning Edition p 5

[Editorial: "New Defense Outline Lacks Vision and Strategy"]

[FBIS Translated Text] The government recently adopted a new "defense program outline" for the nation's defense buildup.

The previous defense outline adopted by the then Miki cabinet in October, 1976 regarded the former Soviet Union as a potential threat, thus supporting the West's attempt to encircle the Soviet Union. However, with the end of the Cold War, the collapse of the Soviet Union, and the threat from the Soviet Union greatly diminished, the situation surrounding Japan has greatly changed. We asserted that the nation should depart from the mentality it followed during the Cold War and work out multilateral security and defense plans aimed at promoting arms reduction. To this end, we urged the government to revise the national defense program outline.

Finally, 19 years after the adoption of the previous defense outline, and five years after the end of the Cold War, the new defense policy outline was adopted. Although this is a step forward, the government should have worked out the new policy earlier.

In short, the new defense outline is based on the U.S. "Security Strategy for the East Asia-Pacific region" and presumes the contents of the "redefinition" of the Japan-U.S. Security Treaty. This is apparent because it evaluates the Japan-U.S. security system as "indispensable to the nation's security and playing an important role in maintaining stability in the Asia-Pacific region" and stresses the need for Japan-U.S. cooperation to enhance the reliability of the bilateral security system.

A close examination of the new defense policy outline reveals some problems.

First, an overemphasis on the importance of the Japan-U.S. security arrangements obscures the vision and strategy concerning Japan's role in ensuring peace and stability in the Asia-Pacific region.

Certainly, in addition to Japan's participation in UN peacekeeping operations, the new policy proposes the nation's "contributions to establishing a more stable security environment." However, it fails to detail what Japan should do to contribute to such efforts. It merely says: "Japan should continue to promote security dialogue and defense exchanges with neighboring countries to strengthen relations of trust with them." The new defense policy should have indicated concrete plans for establishing a regional security system and for contributing to the system.

Second, the new defense outline is unclear about ways to promote arms reduction. "To streamline the size and functions of Japan's defense forces and enhance their quality," the new policy proposes reducing Ground Self-Defense Forces [GSDF] personnel by 20,000 and warships and airplanes by 10-20 percent.

Numerically, there appears to be progress in arms reduction. However, some people note that the reduction in GSDF personnel will be made merely by bringing the quota of GSDF troops closer to the actual number, and that reduction in the number of warships and airplanes will be achieved by discarding obsolete ones. It is said that the government is even considering procuring expensive fighter planes, air tankers, and long-distance transport planes and using a reconnaissance satellite "to improve the functions and enhance the quality of Japan's defense forces." This makes us worry that the government may increase defense spending rather than decreasing it.

Third, Japan's three principles concerning arms exports are handled inappropriately. In the final discussions on the new defense policy, the Social Democratic Party of Japan [SDPJ] locked horns with the Liberal Democratic Party [LDP] over how these principles should be handled. The SDPJ claimed the three principles should be stipulated in the new defense policy outline. Meanwhile, the LDP opposed the idea, in compliance with a Defense Ministry request that the principles be applied flexibly so it can export weapons' components to the United States.

The two sides finally agreed to resolve the issue by having the chief cabinet secretary's statement declare that "the nation intends to maintain the basic philosophy" of the three principles. However, the arms embargo principles, together with the three nonnuclear principles, form the basis of Japan's diplomatic and security policies. Thus we should not easily let these principles become merely nominal.

Hata Interviewed on NFP Presidential Race

OW0112134395 Tokyo SANKEI SHIMBUN in Japanese 30 Nov 95 Morning Edition p 2

[Interview with Tsutomu Hata, vice president of the New Frontier Party (NFP), by unidentified SANKEI SHIMBUN reporter on 29 November; place not given — first paragraph is newspaper introduction]

[FBIS Translated Text] On 29 November, NFP Vice President Tsutomu Hata granted an interview to SANKEI SHIMBUN in which he indicated a strong eagerness to run in the upcoming party presidential election.

[SANKEI SHIMBUN] How do you feel about voices being raised in some quarters of the NFP, urging you to run in the election?

[Hata] I am not holding back. I take on with persistence whatever duties are placed on me. In New Zealand, the New Zealand Labor Party [NZLP] carried out administrative reform and put the country's economy back on its feet. Although the NZLP lost in the election in 1990, the party carried out reform at a time when reform was needed even if something had to be sacrificed. There must be no standing still in times of reform. Before his inauguration, German Chancellor Helmut Kohl asserted that his country must renew its vitality through reviewing its welfare policy. By actually carrying out what he advocated, the Kohl administration has been able to remain in power for over 10 years. I have not specifically said that I would run in the presidential election, but in my day-to-day speeches, this is what I have been talking about. Although I have been bringing up deregulation, decentralization, tax system reform, security arrangements, and other rowdy issues, I feel there is not much time left to make our country into something we can proudly turn over to our children and future generations.

[SANKEI SHIMBUN] How do you feel about rumors of NFP Secretary General Ichiro Ozawa running in the presidential election?

[Hata] That will have an impact on the entire party. However, Mr. Ozawa wants to brighten up the party by managing the entire party, and I feel he wants to turn the NFP into that kind of party. If there are endorsers, there should be no reason for him to reject candidacy. In the past, I myself have urged him to seek the post. However, it is his policy to act behind the scenes (instead of coming out in the spotlight), and he is good at that.

[SANKEI SHIMBUN] Do you plan to select someone else besides Mr. Ozawa as secretary general?

[Hata] The problem is with the mass media. Reporters do not understand what we are talking about. We have never said that we plan to leave out Mr. Ozawa, and I still have not said that I will run in the election. Yet, it is already implanted in their minds, and that has put us in a bind. It is important to conduct lively debates, even if they turn into fist fights. The party can unite when its general direction has been determined. Even after I lost to party President Toshiki Kaifu last year, I have carried on without showing a sour face. All will be fine as long as everyone remains united. I do not have any ambitions; all I want to do is create a party that can determine Japan's direction in the world. I am willing to cooperate and throw my support behind anybody.

[SANKEI SHIMBUN] How do you feel about the issue of summoning Daisaku Ikeda, honorary chairman of the Soka Gakkai, to testify in the Diet as an unsworn witness?

[Hata] This is totally outrageous. Even during Diet sessions bureau chiefs of various government ministries and agencies answer questions about routine matters in place of the prime minister. Regardless of how much power Mr. Ikeda may have, he does not handle routine business. It has been the rule that a unanimous decision is necessary to summon a private individual to testify before the Diet as an unsworn witness because this is an issue involving human rights. However, what good are rules if the idea of majority rules should take over in this case? The Soka Gakkai is only one of several other organizations that support the NFP. It has no say whatsoever regarding the party's personnel affairs or policies. It throws its support behind the party within the bounds of political ethics.

[SANKEI SHIMBUN] What is your view on the political outlook?

[Hata] Since the current administration is acting completely contrary to what it vowed to do in the last election, it should promptly dissolve the Diet and hold a general election — the sooner, the better. Although the administration claims that a political vacuum should not be created, the general public and business circles are saying that is a political vacuum right now. The economy remains stagnant, and the outlook is bleak. We do not hear any discussions in the Diet about such critical issues as reform on information disclosure, corporate restructuring, and deregulation. At this rate, Japan will plummet into a third-rate nation.

North Korea

U.S. Aerial Military Exercises Viewed

SK0112030795 Pyongyang KCNA in English 0248 GMT 1 Dec 95

["U.S. Imperialists' Aerial Military Exercises Against North" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 1 (KCNA) — The U.S. imperialist warmaniacs staged aerial military exercises with E-3 early warning plane, EA-6 electronic jamming plane and KC-135 refuelling tanker and some 700 fighter planes of the U.S. Seventh Air Force and the South Korean puppet Air Force in the sky above South Korea on November 28 and 29, according to military sources.

This reckless war move was aimed at a forestalling attack on the northern half of Korea.

Daily Denounces U.S. 'Arms Export' to South

SK0112032395 Pyongyang KCNA in English 0302 GMT 1 Dec 95

["NODONG SINMUN on U.S. Arms Export" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 1 (KCNA) — The U.S. policy of arms export gravely endangers peace and security in regions, apparently going against the universal trend towards disarmament and detente, NODONG SINMUN says today.

In a commentary titled "Main Source of Arms Race and Escalating Disputes" the paper says:

This year, the United States has supplied the South Korean puppets with many sophisticated combat equipment. It promised to continue offering weapons to South Korea at U.S.-South Korea top military talks. It has increased arms export to other countries and regions.

Through arms export the United States seeks to put many nations and regions under its control and, at the same time, heat up arms race and disputes and profit from them militarily and politically. It is trying to keep other nations under its baton and force its military, political and economic interests on them under the pretext of arms export.

The U.S. arms export concentrates on the regions and nations which are vital to its strategic interests and on strife-torn countries. In this way, the U.S. adds fuel to arms race and military disputes.

In case of the Korean peninsula, the military confrontation has been aggravated due to the U.S. supply of weapons to South Korea, with the situation being rendered so strained that it may lead to an armed conflict or a war.

The U.S. is claiming that arms export is necessary for "security." But it is nonsense. The U.S. can never justify its policy of arms export which fosters military confrontation and dispute.

In a bid to justify its arms export, the U.S. has raised a hue and cry over others' "military threat" and "arms buildup." It must renounce the arms export policy motivated by an ulterior purpose.

U.S. 'Anachronistic' Military Policy Viewed

*SK0112091995 Pyongyang KCNA in English
0905 GMT 1 Dec 95*

["Anachronistic Asia Policy of the U.S." — KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 1 (KCNA) — Though the Cold War has been terminated, the United States and Japan are trying to launch another round of the Cold War, while tightening their dangerous military tieup based on the bilateral relations of security alliance.

Recently, they began to work out a "joint document" to "re- define" the U.S.-Japan Security Treaty. The U.S. demands the continuous presence of its 100,000 troops in Northeast Asia, which is a legacy of the world war, persistently urging Japan to have the "joint document" stipulating that the military presence is "necessary to cope with the existing threat by North Korea."

We take a serious view of the fact that the U.S. is strengthening military tieup with Japan under the pretext of "North Korea's threat."

What matters is why the U.S., which is talking about the end of the Cold War, is giving "re-definition" to the U.S.-Japan Security Treaty, which is a product of the Cold War, and is raising outcries over "North Korea's threat" again, at a time when DPRK-U.S. discussions concerning the nuclear issue are under way.

By doing so, the U.S. pursues an ulterior purpose of attaining military supremacy in Northeast Asia by availing itself of the alleged "threat by North Korea."

In the period of the Cold War, the U.S. had said its military presence in the Asia-Pacific region was necessary to "deter the Soviet Union from southward invasion."

As the Cold War has come to an end, however, the pretext has no longer had a raison d'etre.

So, the U.S. has badly needed a new pretext for framing "security alliance" with Japan. And the allegation of "North Korea's threat" is needed to make the Japanese people aware of its necessity.

Another purpose pursued by the U.S. is to inveigle Japan with the allegation into the execution of its military strategy for invading the Korean peninsula and the rest of Northeast Asia.

The U.S., to this end, asked the Japanese Defence Agency in April last year to dispatch minesweepers, "P-3C" anti-submarine patrol plane and other anti-submarine force belonging to the "Maritime Self-Defense Force" under the pretext of "possible mine-laying by North Korea." And it has staged several joint military exercises with the Japanese "Self-Defense Forces" this year.

Japan is a criminal of World War II. But the Japanese bellicose circles are now crying for "exercise of collective defense rights" which is prohibited by the constitution. If they follow the lead of the U.S. in "coping with the contingency" in the Korean peninsula and even in the Taiwan Straits, it will result only in bringing irrevocable holocaust to Japan.

The U.S. must give up the sinister intention to establish the sphere of military domination in the Asia-Pacific region and unconditionally withdraw all its aggression forces from this region. And Japan must not toe the U.S. military strategy.

Directive for 'Military Readiness' Denounced

*SK0112044895 Pyongyang KCNA in English
0426 GMT 1 Dec 95*

["Trite Smear Propaganda of Those in Crisis" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 1 (KCNA) — The puppet defence minister of South Korea recently delivered a "written message" captioned "establishment of military readiness" as part of the anti-DPRK smear campaign directed by the Kim Yong-sam group.

Commenting on this, an analyst of NODONG SINMUN today says:

In the message, he slandered the North, saying that it might make use of the social "confusion" caused by the "slush fund scandal" and the enactment of a special law on the may 18 incident.

This is a stereotyped method employed by the South Korean puppets whenever the crisis of their rule is worsened.

The Kim Yong-sam group is the target of resentment and wrath of the people and the object of overthrow for its involvement in the "slush fund case" of the traitor No Tae-u, the military dictator of the "Sixth Republic." The group is now in an unprecedentedly serious crisis of rule.

In an effort to find a way out of its crisis, the group is trying to divert elsewhere the attention of public opinion at home and abroad with such a shocking smear propaganda as the "threat of southward invasion," extremely aggravate confrontation within the nation and provoke a war against the North.

The Kim Yong-sam group would be well advised to stop such an ill- intentioned propaganda against the North, confess to the people all its criminal involvement in the "slush fund scandal," immediately step down and face judgment of history as unanimously demanded by the people.

Students Demand Punishment of Kwangju 'Culprits'

SK0112044095 Pyongyang KCNA in English 0418 GMT 1 Dec 95

[FBIS Transcribed Text] Pyongyang, December 1 (KCNA) — Rallies and demonstrations were held in all parts of South Korea to push demands for the punishment of all those responsible for the May 18 massacre and the introduction of a special prosecutor system, Seoul- based radios reported.

Some 1,000 students under the Kwangju-South Cholla Provincial Federation of University Student Councils (Namchongryon) staged a demonstration on November 29 in demand of the release of their fellow students who were taken away to police stations and of the introduction of a special prosecutor system.

They held a rally to declare that Namchongryon would struggle for the introduction of a special prosecutor system and the release of their fellow students.

Members of the strikers' group of Myongdong Cathedral demanding the trial on those related to the May 18 massacre and the National Alliance for Democracy and Reunification, more than 50 all told, held a rally on a road in front of the "National Assembly" hall in Seoul.

That day, members of the Federation of the May Democratic Movement who started a sit-in in Seoul, held a demonstration in front of the traitor Chon Tu-hwan's house in demand of the punishment of the main culprits of the May 18 bloodbath.

The Kwangju-South Cholla Provincial Joint Measure Committee for the May 18 Incident called a press conference on November 28, and published legislative principles the content of which demands the introduction of a special prosecutor system and the punishment of all those responsible for the Kwangju massacre.

Leaflet in South Urges Overthrowing Kim Yong-sam

SK0112050695 Pyongyang KCNA in English 0252 GMT 1 Dec 95

[FBIS Transcribed Text] Pyongyang, December 1 (KCNA) — A leaflet carrying a satirical song in the name of the patriotic death-defying corps for overthrowing Kim Yong-sam was pasted on an advertisement board of Lotte Department Store in Seoul on November 19, according to the Seoul-based radio Voice of National Salvation [VNS].

The satirical song entitled "1-10 song against Kim Yong-sam" denounced the traitor Kim Yong-sam for patronizing No Tae-u, a kingpin of "Sixth Republic" irregularities, and imposing all kinds of disaster upon the people after seizing the "presidential" seat with 2,000 billion won.

His heinous crimes are indelible, the song said, calling for overthrowing Kim Yong-sam to vent the people's grudges.

More Secret Bank Accounts of No Tae-u Exposed

SK0112093495 Pyongyang KCNA in English 0736 GMT 1 Dec 95

[FBIS Transcribed Text] Pyongyang, December 1 (KCNA) — 28 more secret bank accounts of the traitor No Tae-u have been laid bare, according to a radio report from Seoul.

The accounts were at the Donghwa Bank, investment financial companies, stock companies and other financial organs in the assumed names and other persons' names.

The accounts will explain the background of 150 billion won of slush funds which were not clarified in the total of 500 billion won No Tae-u confessed.

CPRF Urges 'Proper Settlement' of Kwangju

SK0112115495 Pyongyang KCNA in English 0916 GMT 1 Dec 95

[FBIS Transcribed Text] Pyongyang, December 1 (KCNA) — The Committee for the Peaceful Reunification of the Fatherland (CPRF) issued a statement today concerning the confrontation growing acute between the pro-democracy forces and the fascist forces in South Korea over the enactment of a "special law on the May 18 incident."

The statement describes the Kim Yong-sam group's decision to enact a "special law on the May 18 incident" as their submission to the South Korean people's strong fight for the settlement of the Kwangju issue and as an elementary victory the pro-democracy patriotic forces of South Korea have achieved through a longstanding struggle.

The statement says:

The situation, however, shows that the enactment of the "special law" in South Korea cannot be said to be absolutely bright.

As the days go by, the Kim Yong-sam group scheme to delay the enactment of the "special law" for an indefinite period with some poor and unreasonable pretexts. They plan to work out a futile document which is too "symbolic" to punish the culprits of the Kwangju massacre, even if they enact the "special law." The South Korean rulers object to a "special prosecutor system" that is vital to the settlement of the Kwangju issue and raise "revision of the constitution" as a precondition for the enactment of the "special law."

The enactment of the "special law" in South Korea depends on what the fundamental attitude toward the Kwangju issue is and not on "prescription" or interpretation of "articles of the constitution."

There is no need to discuss "prescription" or interpret the "articles of the constitution" as the chief culprits of the Kwangju massacre still remain alive unpunished.

The South Korean rulers, however, have put the brake on the enactment of a "special law", raising issues without any legal justification.

This fact has proved that the step to enact a "special law", as the South Korean people view, is a trick to save the Kim Yong-sam group driven into a tight corner over the slush fund scandal. It is also a crafty scheme to concentrate the attention of the people and the political circles on the enactment of a "special law", gloss over the slush fund scandal, emerge from the ruling crisis and create a condition favorable to them in the next year's "National Assembly election."

The enactment of the "May 18 special law" and the introduction of a special prosecutor system can be possible only through the struggle of the awakened popular masses. Expecting the "special law" and special prosecutor system without fighting the "civilian" fascist dictators in South Korea means leaving the settlement of the Kwangju problem and the democratization of South Korean society to the dictators.

All the South Korean people must wage the struggle for the enactment of the "May 18 special law" and the introduction of a special prosecutor system in close combination with the struggle for a proper settlement of the slush fund scandal. In this way, they must punish the killers of Kwangju people and also remove the Kim Yong-sam group of "Chongwadae" [presidential offices], that have defended the murderers.

Over the past 15 years we have made all efforts to support the right struggle of the South Korean people for a solution to the Kwangju problem. We will as ever remain on their side and extend full compatriotic support and solidarity for their patriotic struggle.

We express the belief that the South Korean people will continue their struggle to see a proper settlement of the Kwangju problem and establish an independent, democratic government defending their interests, after getting rid of fascism and irregularities.

New Pomminnyon Overseas Chairman Elected

SK0112033495 Pyongyang KCNA in English 0253 GMT 1 Dec 95

[FBIS Transcribed Text] Pyongyang, December 1 (KCNA) — The overseas headquarters of the National Alliance for the Country's Reunification (Pomminnyon) elected Yim Chang-yong its chairman at a recent meeting of its presidium held in Japan.

Yim Chang-yong has conducted patriotic activities for democracy in South Korean society and the independent and peaceful reunification of the country for many years abroad.

Pomminnyon Marks Fifth Anniversary on 29 Nov

SK0112113895 Pyongyang KCNA in English 0850 GMT 1 Dec 95

[FBIS Transcribed Text] Tokyo, November 30 (KNS-KCNA) [dateline as received] — The overseas headquarters of the National Alliance for the Country's Reunification (Pomminnyon) held a meeting in Tokyo on November 29 on the occasion of the fifth anniversary of the formation of Pomminnyon.

Congratulatory messages from the North side and South side headquarters of Pomminnyon were introduced at the meeting.

Addressing the meeting, Yim Chang-yong, chairman of the overseas headquarters of Pomminnyon, called upon all the overseas compatriots to pool their efforts and wisdom and fight for the reunification through confederacy rallied closer around Pomminnyon organisation.

At the meeting Yim Min-sik, secretary general of the overseas headquarters of Pomminnyon, made a report on the subject "Let us take the lead in achieving the reunification through confederacy under the banner of Pomminnyon".

He said that the achievements made by Pomminnyon over the past five years are praiseworthy and will shine long in the history of the reunification movement of the Korean nation.

He stressed the need to fully isolate the anti-reunification separatist forces and enhance the position and role of Pomminnyon, the mother body of great national unity.

The task of Pomminnyon to achieve reunification through confederacy is very important, he said. Pomminnyon will devote all efforts and wisdom to bringing about a bright future of a reunified country in the van of the 70 million fellow countrymen under the banner of independence, peaceful reunification and great national unity.

Hiroshi Wakabayashi, secretary general of the Japan Committee for Supporting the Independent and Peaceful Reunification of Korea, and others made congratulatory speeches at the meeting.

Congratulatory speeches were also made by representatives of different regional headquarters of Pomminnyon and a resolution of the meeting of the presidium of the overseas headquarters of Pomminnyon was read out at the meeting.

Party Marks National Day of Romania 30 Nov

SK0112035895 Pyongyang KCNA in English 0258 GMT 1 Dec 95

[FBIS Transcribed Text] Pyongyang, December 1 (KCNA) — Charge D'affaires ad Interim of the Romanian Embassy in Pyongyang Alexandru Mica gave a party at the embassy on Thursday on the occasion of the national day of Romania.

Invited to the party were Choe Su-hon, vice-minister of foreign affairs, and other officials concerned.

Speeches were made at the party.

Papers Mark National Day

SK0112114095 Pyongyang KCNA in English 0852 GMT 1 Dec 95

[FBIS Transcribed Text] Pyongyang, December 1 (KCNA) — Newspapers here today dedicate signed articles to the 77th national day of Romania.

MINJU CHOSON says the Korean people extend congratulations and greetings to the friendly Romanian people.

In the past the Romanian people struggled to lead a happy life in a unified territory, making prosperity of the nation, the paper notes, and goes on:

Today they are striving to achieve national stability and develop the economy.

Romania is developing friendly relations with different countries, externally holding the principles of equality, mutual respect and non-interference in other's internal affairs.

The Korean people wish the Romanian people greater success in their endeavours for national prosperity, hoping that the relations of friendship between the two peoples will further develop.

Wangjaesan Music Troupe Returns From PRC

SK0112093595 Pyongyang KCNA in English 0735 GMT 1 Dec 95

[FBIS Transcribed Text] Pyongyang, December 1 (KCNA) — The Wangjaesan Light Music Troupe is giving performances in Pyongyang after its visit to China.

The troupe, well known to the Korean people for giving them revolutionary zeal, stamina, optimism and pleasure, put on the stage colorful numbers of instrumental music, songs and dances.

The female solo and pangchang "Thunder on Chong-il Peak", the dance "Shoulder Dance", the female solo "Song of Mt. Maebong" and Chinese songs including "Socialism Is Good" won the acclamation of the audiences.

Party Marks Anniversary of Cuban Armed Forces

SK0112042695 Pyongyang KCNA in English 0257 GMT 1 Dec 95

[FBIS Transcribed Text] Pyongyang, December 1 (KCNA) — Arnaldo Fernandez Rodriguez, military attache of the Cuban Embassy in Pyongyang, gave a cocktail party on November 30 on the occasion of the 39th anniversary of the Cuban Revolutionary Armed Forces.

Invited to the party were Vice-marshal of the Korean People's Army Kim Kwang-jin, first vice-minister of the People's Armed Forces, Pak Kyong-son, vice-director of a department of the Central Committee of the Workers' Party of Korea, and other officials concerned.

Foreign diplomatic envoys and military attaches accredited to Korea were also invited. Present there were Cuban Ambassador Jose Ramon Rodriguez Varona and his embassy officials.

Speeches were made there.

Meeting Marks Lao 20th Anniversary

SK0112033695 Pyongyang KCNA in English 0246 GMT 1 Dec 95

[FBIS Transcribed Text] Pyongyang, December 1 (KCNA) — A meeting was sponsored by the Committee for Cultural Relations With Foreign Countries and the Korea-Laos Friendship Association in Pyongyang on Thursday on the 20th anniversary of the Lao People's Democratic Republic.

Present there were Yi Chol-pong, minister of city management and chairman of the Korea-Laos Friendship Association, Kim Yong-su, vice-chairman of the Committee for Cultural Relations With Foreign Countries, and other officials concerned and working people in the city.

A speech was made there.

Yemeni President Presents Gift for Kim Chong-il

SK0112115695 Pyongyang KCNA in English
0908 GMT 1 Dec 95

[FBIS Transcribed Text] Pyongyang, December 1 (KCNA) — The great leader Comrade Kim Chong-il received a gift from 'Ali 'Abdallah Salih, chairman of the General People's Congress and president of the Republic of Yemen.

The gift was conveyed to Choe Tae-bok, alternate Politburo member and secretary of the C.C. [Central Committee], Workers' Party of Korea, by Yahiya Mohammed al-Mutawekil [spelling of name as received], deputy general secretary of the General People's Congress of Yemen, on a visit to Korea.

Kim Chong-il Sends Tables to Meeting Attendees

SK0112034895 Pyongyang KCNA in English
0255 GMT 1 Dec 95

[FBIS Transcribed Text] Pyongyang, December 1 (KCNA) — The great leader Comrade Kim Chong-il sent a 60th birthday table to Song Chi-yong and birthday tables to 115 participants in the conference including Yi Myong-su, who greeted their birthdays during the second conference of forerunners of the three-revolution red flag movement.

The 60th birthday table and birthday tables were conveyed at the Chongnyu Restaurant in Pyongyang on Thursday.

Upon receiving the birthday tables, forerunners of the three revolutions vowed to loyally uphold Comrade Kim Chong-il with successful performance of the ideological, technical and cultural revolutions.

Daily Praises Kim Chong-il Work on Ideology

SK0112114195 Pyongyang KCNA in English
0858 GMT 1 Dec 95

["Socialist Ideology, Powerful Weapon With Which To Train Popular Masses To Be Independent Men" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 1 (KCNA) — The great leader Comrade Kim Chong-il in the famous work "Giving Priority to Ideological Work Is Essential for Accomplishing Socialism" has given a comprehensive, profound exposition of the advantages of socialist ideology, which is one more ideological and theoretical exploit he performed for the socialist cause of chuche and humankind's cause of independence, says NODONG SINMUN in a signed article today.

The article says:

The socialist ideology is, above all, a powerful weapon with which to train the popular masses to be independent men firmly armed with an independent idea.

The independent idea is the idea that reflects the intrinsic demands of social beings to live and develop independently as masters of their destinies, free from all manner of subjugation and restriction.

Only when they firmly arm themselves with the socialist ideology, can they grow to be steadfast revolutionary fighters against exploitation, oppression, aggression and plunder and respectable noble men who devote their all to society and the collective.

The socialist ideology is also a powerful ideological weapon with which to equip the popular masses with creativity. Only when they are possessed of a high degree of creativity, can they realise their demands for independence.

The basic demand of the socialistic collectivism is to give priority to the interests of the state and society and to meet personal demands and interests in the state and public interests.

The true socialist ideology which is highly effective in making the popular masses independent men is the chuche idea.

The great leader Comrade Kim Il-song founded the chuche idea to expound man-centred socio-historical principles and put the socialist ideology on a new, scientific basis.

The chuche idea is a revolutionary idea which defines it as the basic purpose of revolution to defend and realise independence, the life and soul of a social being, and which calls for carrying on the revolution for its materialisation.

Indeed, the chuche idea is the most scientific socialist ideology that meets the requirements of the present times and a powerful ideological weapon which is very instrumental in making the popular masses men with independence and creativity.

WPK Central Committee Greets Congress

SK0112115195 Pyongyang KCNA in English 0906 GMT 1 Dec 95

[FBIS Transcribed Text] Pyongyang, December 1 (KCNA) — The Central Committee of the Workers' Party of Korea today sent a message of greetings to the 5th Congress of the Workers' Party of Bangladesh [WPB].

The message expressed the belief that the 5th Congress of the WPB will greatly contribute to the activities of the party for strengthening it and realising the cause of independence of the working people, and wished the congress success in its work.

The message manifested the conviction that the friendly relations between the two parties will further strengthen and develop.

'Great Productive Upswing' in Economy Viewed

SK0112101595 Pyongyang KCNA in English 0845 GMT 1 Dec 95

["Econews" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 1 (KCNA) — A great productive upswing has been effected in different branches of the national economy under the revolutionary banner of self-reliance in Korea.

The Yongsong Associated Machinery Bureau is steadily expanding its success in production by introducing new technology.

The bureau manufactured a pipe rolling mill, which is capable of producing pipes of different qualities and sizes from 20 mm to 110 mm and, at the same time, elongating them. So it is satisfactorily turning out all pipes needed for ordered equipment.

The thick plate cutter, too, is greatly conducive to raising the sheet metal processing efficiency.

Industrial establishments under the Ministry of the Machine- Building Industry have secured great reserves after applying the new heat-protecting method.

According to data available, this method was recently introduced into more than 200 major industrial furnaces under the ministry, with the result that consumption of electricity and coal decreased respectively by 50 percent without use of fire-proof bricks.

And areas for production sites lessened by a half while conditions and environment of working places were improved.

The Hoeryong Coal Machine Factory and the Puryong Alloy Steel Complex, too, built a streamlined process of electromotor production and an electric furnace of new type for alloy steel to keep the production on a high level.

This assembly-line process is efficient for manufacturing electromotors of different sizes needed for cutting and transporting machines.

The capacity of the new electric furnace is twice as large as the preceding one. The actual extraction rate of alloy elements is four percent higher than before.

The Huichon Mine Prop Production Station, the Wiwon Forestry Station and other forestry units and Sopo Youth Railway Station, Nampo Port and other transport units introduced new technological renovation proposals to steadily expand their achievements in production.

South Korea

ROK Seeks Right To Detain GI's at Indictment

SK0112083895 Seoul YONHAP in English 0830 GMT 1 Dec 95

[FBIS Transcribed Text] Seoul, Dec. 1 (YONHAP) — South Korea Friday proposed that the United States allow Korean authorities to take into custody American soldiers accused of crimes here upon their indictment, a Foreign Ministry official said.

The U.S. side, meanwhile, responded that it will present its positions on the request after going through consultations with relevant administration agencies in Washington, said Song Min-sun, deputy director general of the ministry's American Affairs Bureau.

Emerging from the first bilateral working-level talks on revising the Status of Forces Agreement (SOFA) on the legal status of American troops stationed in South Korea, Song said, "We made all our proposals on the revision of SOFA and the U.S. side commented on the proposals."

Although he would not elaborate on the proposals, he said that Seoul demanded all it deemed necessary concerning the right to detain American soldiers accused, adding that it would demand the right to apprehend such suspects as soon as they are charged.

"The U.S. side, however, failed to counterpropose on our suggestions, just saying that they need time for review of Korea's proposals in Washington," Song said, noting that the two sides have agreed to hold another round of talks in Washington Dec. 14 and 15.

It was also jointly agreed to set, through diplomatic channels, the timing of another meeting for SOFA revision concerning environmental protection of bases here used by American soldiers and protection of labor rights for Koreans employed by American forces.

Taegu Police Book U.S. Soldier on Rape Charges

SK0112104095 Seoul TONG-A ILBO in Korean 30 Nov 95 p 31

[By Chong Yong-kyun from Taegu]

[FBIS Translated Text] The southern district police station of Taegu has booked Private Bennett Billy Lee [name as transliterated] (18) of the 19th support unit of the U.S. Forces stationed in the ROK, on rape charges, and is currently investigating the case.

According to the police, Private Lee was drinking at a certain bar in Ichon-tong, Taegu. At around 0400 on 29 November [1900 GMT 28 November], he followed Ms. Chon (48), a waitress, who was on her way to the bathroom, and choked and beat her so that she fainted, and then tried to rape her.

Russian Party Head Cited on Power Succession

SK0112012995 Seoul KBS-1 Radio Network in Korean 2200 GMT 30 Nov 95

[FBIS Translated Text] Shenin, chairman of the Council of the Union of Communist Parties of Russia, who visited North Korea recently, said that Kim Chong-il is not accelerating his power succession. Chairman Shenin said: Kim Chong-il already solved internally the issue of inheriting power. Therefore, he is not speeding up the official assumption of such important posts as the president and the general secretary of the party. Chairman Shenin added that the delay in Kim Chong-il's inheritance of power is because he is still in shock over Kim Il-song's death.

Vigilance Against North's 'Provocations' Urged

SK0112084395 Seoul YONHAP in English 0822 GMT 1 Dec 95

[FBIS Transcribed Text] Seoul, Dec. 1 (YONHAP) — President Kim Yong-sam urged the nation Friday to be vigilant against the possibility that North Korea may provoke South Korea on the basis of a misjudgement of the current political situation here.

Presiding over the 29th central conference for integrated defense at the Defense Ministry Friday afternoon, Kim said, "We must firmly cope with possible provocations by the North Koreans, who may misjudge our political and social atmosphere over the May 18 Kwangju uprising and the slush fund scandal as a sign of a weakened security posture on our part."

Attending the meeting were over 160 officials, including Prime Minister Yi Hong-ku and Defense Minister Yi Yang-ho and other cabinet members, the chiefs of staff and other major commanders of the three military branches and police agency commissioners from across the country.

Noting that some people are indulged themselves with "an illusory unification theory" or the perception that the North, burdened with economic woes, will not be able to provoke the South, the chief executive said, "We must keep the stern lesson in mind that many of our historical tragedies stemmed from an easy-going perception of national security."

A strong security posture alone is the shortcut that can induce the reclusive communist country to give up provoking the South and come forward to the arena of dialogue and compromise, Kim pointed out, adding, "Remembering that the next several years will be crucial for our national security, all of us should do our best."

Kim asked the people not to forget the fact that the Korean peninsula remains the "last cold-war area in a touch-and-go situation" because of North Korea's persistance on a line of confrontation, whereas the world is headed toward an era of reconciliation and cooperation.

"In recent months, the North Koreans schemed to disrupt our society by infiltrating armed agents into the south," Kim noted, "They are also deploying fighters and bombers near the demilitarized zone."

"This is designed for the North Korean authorities confronting crises at home and abroad to consolidate the internal system by fermenting the sense of crisis vis-a-vis South Korea and heightening hostility," he added, "We must guard against the possibility that North Korea may provoke the South out of desperation under such circumstances."

The stalinist state now faces a "very serious situation" due to its diplomatic isolation and economic difficulties, which were exacerbated by major flood damages last summer, Kim remarked.

"The fact that the North has yet to take power succession procedures despite the elapse of one year and a half since the death of President Kim Il-song is telling evidence that it faces a serious internal situation, and that its leadership is uncertain," the president added.

WFP Spokesman Describes Flood Damage

SK3011143995 Seoul KBS-1 Television Network in Korean 1237 GMT 30 Nov 95

[FBIS Translated Text] North Korea reportedly has yet to recover from the serious floods of last summer. An official of the World Food Program (WFP), who visited North Korea upon receiving Pyongyang's request for food aid, describes the flood recovery scene. Song Chung-mun reports.

[Begin recording; subtitle reads "video courtesy of BBC"] [Song] In a small farm in Hwanghae Province, people are rebuilding a washed-away bank while a loudspeaker encourages the work. [subtitle indicates the location of the farm is 35 km north of the DMZ] Those waving flags on the bank are shock brigade agitators for the recovery work. A bulldozer is seen, but most of the work is done by shovels and A-frame carriers. There are more women in the field, with a few old people and soldiers. The North Korean officer interviewed praises the comrade leader.

[Yi Chun-chae, identified by subtitle as an "officer in the flooded area"] All people are mobilized in the recovery work under the wise leadership of the great leader [yongdoja] General Kim Chong-il. We have the courage and strength to do the recovery work.

[Song] By showing the WFP official around Pyongyang, North Korea intended to show its stability, but this did not work.

[WFP Spokesman Page, speaking in English, with Korean subtitles; processed from English; name and title transliterated from subtitle] Buildings, monuments, streets are very deceptive. People are hungry. Their cupboards are bare. The country is in a crisis.

[Song] The collapsed bridge is miserably left alone, reflecting the situation in North Korea. [end recording]

NSP Questions North Koreans Hoping To Defect

SK0112083095 Seoul YONHAP in English 0738 GMT 1 Dec 95

[FBIS Transcribed Text] Seoul, Dec. 1 (YONHAP) — Two North Koreans have entered South Korea via a third country and are presently being questioned on reasons for their defection, the Agency for National Security Planning (NSP) said Friday.

Identified as Kim Chong-hyon, 31, and Choe Myong-nam, 27, the defectors reportedly told NSP officials that they fled the communist country after their acts of stealing things from a factory to buy food were uncovered by the police.

Both runaways were quoted as saying that they could hardly obtain food even though they had sold all of their household belongings and family properties.

Kim left seven family members of his own in North Korea, including his parents, wife and children, with Choe having his parents and brothers remaining there, according to the NSP.

Court Sentences Pak for Unauthorized Visit

SK0112091295 Seoul YONHAP in English 0703 GMT 1 Dec 95

[FBIS Transcribed Text] Seoul, Dec. 1 (YONHAP) — Pak Yong-kil, widow of the deceased Pastor Mun Ik-hwan, was sentenced to one year's imprisonment with a three-year stay of execution after being found guilty of violating the National Security Law at the Seoul District Court Friday.

The court also suspended her civil rights for two years.

The court said in his ruling that Pak made an unauthorized visit to North Korea and vilified the South Korean Government while meeting with members of "anti-state" organizations, including the Stalinist state's de facto leader Kim Chong-il.

The court, however, ordered a stay of execution in light of her old age.

Pak had been indicted on charges of having secretly entered the communist country June 28 without the government's approval, engaged in pro-Pyongyang activities like placing a wreath to the statue of the late North Korean leader Kim Il-song, meeting the deceased dictator son, and visiting the Tangun tomb.

She was arrested July 31 upon her return home from the North via the truce village of Panmunjom.

North Officials Frequently Visit U.S.

SK3011133395 Seoul CHOSON ILBO in Korean 30 Nov 95 p 8

[Article by Kim Chang-kyun from Washington: "North Koreans Frequently Visit the United States"]

[FBIS Translated Text] Every move of Pak Sok-kyun, deputy director of the American Affairs Department of the North Korean Ministry of Foreign Affairs, who was the first North Korean authority to visit Washington in December 1994, was the focus of attention of the ROK media. However, visits by North Koreans to the United States no longer attract attention from the ROK media because these visits are quite frequent and successive.

Visits by North Koreans to the United States total 12 in 1995, with the number of North Koreans participating in these visits totaling 61. This number is very small, but can be regarded as "a rapid increase" in comparison with last year's situation in which direct meetings between the United States and North Korea were not held except during the UN General Assembly.

The type of visits to the United States can be classified into several categories. First, official visits related to the implementation of the U.S.-North Korean Geneva agreement signed in October 1994, such as the visit by Deputy Director Pak Sok-kyun at the end of last year to discuss establishing liaison offices, and the visit by the delegation that is now participating in the ongoing negotiations in New York between North Korea and the United States on providing light-water reactors to North Korea. Five relevant officials from the North Korean Magnesite Export & Import Corporation visited the United States in June, signing a contract with a U.S. company to export 30,000 tonnes of magnesite. This was done according to the steps taken by the United States to relax sanctions against North Korea. In addition, four North Korean nuclear experts visited U.S. atomic facilities last year. This is intended to prepare for the future work of providing light-water reactors to North Korea.

The activity of religious figures, which leads to natural contacts between the two sides, has also been conspicuous. Chang Chae-chol, chairman of the Korean Roman Catholics Association, visited the United States in January and October, leading a delegation of religious figures. In addition, a massive delegation made up of nine persons led by Kang Yong-sop, chairman of the Korean Christians Federation, visited the United States in June.

It is conspicuous that North Koreans frequently visit the United States to organize Koreans residing there. Chon Kyong-nam, vice chairman of the Korean Committee for Aiding Overseas Compatriots, toured the Korean residences in February and June, strongly stating that "if compatriots spontaneously form an organization, we will conduct a policy for overseas compatriots through that organization." Thanks to his activities, pro-North Korean organizations have been formed.

Delegations visited the United States that kept in mind the U.S.- North Korean economic cooperation, such as the February visit by the vice chairman of the Taesong General Bureau, a North Korean trade company, and the June visit by the secretary general of the Korean International Trade Promotion Committee. In addition, a group led by Yi Hyong-chol, director of the American Affairs Department of the Ministry of Foreign Affairs, was scheduled to visit Washington next month to hold a seminar on investment in North Korea under the auspices of the U.S. International Economic Association, but this is not to be held due to North Korea's notification to cancel the dispatch of its group.

Visits by North Koreans to the United States are unofficial, though in general they are invited by relevant officials of the U.S. State Department. The major figures whom North Korean visitors want to see are Jeff Goldstein, who is in charge of North Korean affairs at the U.S. State Department; John Merrill, who is in charge of intelligence and research within the State Department; and Dick Christensen, deputy chief of the Korean Affairs Section, who is well-versed in the Korean language. Uraeok Restaurant near Washington is used as the venue for their receptions.

The increasing number of North Korean visitors to the United States originates from an "engagement policy," which is a basic strategy concept toward North Korea adopted by the United States since U.S.-North Korean talks were held in Geneva last year. This concept means the United States will induce North Korea to become a member of international community by actively seeking contacts with Pyongyang. According to this concept, the United States has issued visas to North Korean officials who have no particular problem in visiting the United States. The frequent exchange of personnel between the United States and North Korea shows that an atmosphere for opening liaison offices has been favorably created.

ING Bank To Open Pyongyang Branch Office

SK0112102595 Seoul CHOSON ILBO in Korean
30 Nov 95 p 10

[Article by reporter Kim Yon-kwang]

[FBIS Translated Text] The ING Bank of the Netherlands has opened a branch office in Pyongyang, and has become the first Western bank to do so.

An official of the Seoul branch office of the ING Bank revealed on 29 November: "A ceremony to open the branch office in Pyongyang will be held on 4 or 5 December. Mr. Mens [name as transliterated], of the branch office in Singapore who is in charge of the Asian region, and Seoul branch office manager Jan Bosma [name as transliterated], will participate in the ceremony." Jan Bosma plans to leave Seoul for Pyongyang via Beijing on 1 December.

This official also said: "Mr. Watson [name as transliterated], a Brit, who has been appointed as the Pyongyang branch office manager, went to Pyongyang in June and has been carrying out work to open the office. In the future, contacts with the Pyongyang branch office will be carried out through the branch office in either Tokyo or Beijing."

On 25 January, the ING Bank concluded a contract with North Korea's International Insurance Company to establish the "ING-Northeast Asia Bank." Approval for operation was given on 4 July. The "ING-Northeast Asia Bank" has registered the Najin-Sonbong region office as its main office, but it was learned that the Pyongyang branch office will in reality play the role of main office until the Najin-Sonbong development is completed.

The "ING-Northeast Asia Bank" Pyongyang branch office in which the ING Bank invested $1.4 million and the North Korean International Insurance Company invested $600,000, will carry out work such as remittance and opening letters of credit. It also plans to concentrate efforts on supplying funds and assisting working funds for the Najin-Sonbong project.

Pact Signed With Japan on Technological Growth

SK0112093395 Seoul YONHAP in English
0840 GMT 1 Dec 95

[FBIS Transcribed Text] Seoul, Dec. 1 (YONHAP) — South Korea and Japan Friday agreed to cooperate on the development of artificial intelligence, new materials, and state-of-the-art medical equipment, a Foreign Ministry official said.

The pact was signed at an annual bilateral meeting of Science and Technology Cooperation Committee, the eighth of its kind, in Tokyo.

During the summit, Seoul proposed 23 new projects and Tokyo 32, bringing the total number of such cooperation projects between the two countries to 126, under the agreement on science and technology cooperation signed in 1985, the official said.

International Economic Affairs Bureau Director General Yun Chae- chun represented South Korea at the meeting while his Japanese counterpart was Takekatsu Kawamura in charge of science and technology at the Japanese Foreign Ministry, he said.

Deficit With Japan Reaches $14 Billion

SK0112021395 Seoul YONHAP in English
0122 GMT 1 Dec 95

[FBIS Transcribed Text] Seoul, Dec. 1 (YONHAP) — Despite government efforts to develop the capital goods industry, South Korea suffered a deficit of 14.1 billion U.S. dollars in trade with Japan in that sector during the first 10 months of the year.

The figure, having already surpassed the sectoral trade deficit of 13.78 billion dollars with Japan during all of last year, is expected to break through the 15 billion-dollar mark by the end of the year, according to the Trade, Industry and Energy Ministry.

Soaring imports of Japanese capital goods, such as machinery and equipment used in the manufacture of other products, are due to the expanding economy, ministry officials said.

The semiconductor division alone sustained a deficit of 197 million dollars with Japan from January through September, though their worldwide trade achieved a surplus of over 10 billion dollars during the same period.

The increasing trade deficit with Japan reflects the failure of government measures to reduce the economy's dependence on Japanese capital goods from 39.8 percent of the market in 1991 to 34 percent in 1996.

In the first 10 months of the year, the economy's dependence on Japan for machinery stood at 39.7 percent of the market and that for components and equipment parts at 42.2 percent.

Japan's 14.1 billion dollars surplus in capital goods trade with South Korea during the period is more than four times greater than the 3.1 billion dollar imbalance sustained in the international trade of these goods during the same span.

In the components and parts sector alone, the 10-month trade deficit with Japan stood at 3.1 billion dollars against the surplus of 9.1 billion dollars registered in global trade for the same period.

South Korea still heavily relies on Japan for key components of automobiles and electronic appliances, a ministry official said.

The country's semiconductor exports are increasing sharply, but the industry still depends on Japan for semiconductor manufacturing equipment.

Last year, domestic chipmakers registered a surplus of 4.9 billion dollars worldwide but sustained a deficit of 564 million dollars in trade with Japan.

Air, Maritime Pollution Pact Signed With PRC

SK0112061595 Seoul THE KOREA HERALD
in English 1 Dec 95 p 3

[FBIS Transcribed Text] A top Chinese official yesterday said Korea and China seeing eye to eye on environmental issues will boost the bilateral alliance which aims to protect and preserve the region's environment.

"We share a strong understanding that financial commitment is vital to the success of any environmental project. Unlike other worldwide or regional projects which have dwindled due to the insipidness of the participants, (I am confident that) our partnership will be a successful one," Xie Zhenhua, administrator of the National Environmental Protection Agency of China, said.

Xie, who is visiting Seoul for the first time, yesterday met with his Korean counterpart, Environment Minister Kim Chung-wi. The two ministers signed an agreement at the Environment Ministry, which aims to correct the problems of migratory air pollutants and maritime pollution in the Yellow Sea.

The minutes detailed in the agreement stated that South Korea will assist China through a foreign loan of EDCF (Economic Development Cooperation Fund). The loan will be used to buttress construction of environment-friendly facilities as well as basic infrastructures like sewage systems at the Yellow Sea border, according to officials at the Environment Ministry.

The two signatories said they will also expedite establishing a working group as agreed in the first annual workshop on migratory pollutants in the Northeast Asian region, held in September in Seoul.

The working group will concentrate mainly on measuring the level of acid rain and other migratory air pollutants, which will later serve as indices for regulating or banning the primary and secondary pollutants, officials at the ministry said.

Government, Malaysia Sign Memorandum on Energy

SK0112093095 Seoul YONHAP in English 0644 GMT 1 Dec 95

[FBIS Transcribed Text] Seoul, Dec. 1 (YONHAP) — South Korea and Malaysia signed Friday a memorandum of understanding (MOU) on the promotion of bilateral cooperation in energy and mineral resources.

At the Foreign Ministry, Foreign Minister Kong No-myong and Malaysian Energy Minister Datu Abang Abu Bakar Mustapha [name as received] signed the MOU, which calls for establishing a committee for joint projects on the exploitation, development and use of energy and mineral resources.

The accord also stipulates that both countries make efforts to involve private and state-run companies and research institutes in such collective works.

Seoul is under contract with Kuala Lumpur for the purchase of 2 million tons of liquefied natural gas from Malaysia annually for 20 years beginning this year.

Kim Yong-sam Urges Correcting 'Wrongs'

SK0112033995 Seoul YONHAP in English 0212 GMT 1 Dec 95

[FBIS Transcribed Text] Seoul, Dec. 1 (YONHAP) — President Kim Yong-sam called Friday for a resolute determination to right wrongs of the past, apparently referring to the Dec. 12 military mutiny in 1979 and the bloody crackdown on the Kwangju pro-democracy uprising in 1980.

Addressing a ceremony dedicating a new Supreme Court building in southern Seoul, the chief executive said, "We are now translating into action public aspirations for straightening out the wrongs done to the nation's history in the past... With extraordinary determination and resolute posture, we must liquidate our historical unhappiness that trampled down constitutional order and grieved the people."

Over 1,000 persons from judicial circles and other walks of life attended the event, among them Supreme Justice Yun Kwan, National Assembly Speaker Hwang Nak-chu and Constitutional Court President Kim Yong-chun.

"For the sake of the people's freedom, human rights, the health and development of our society, and the prestige and status of our country, we should fulfill without fail this task of the era," Kim said, adding, "that is indeed the way to uphold law and justice, ethics and morality in this country."

He urged the people to exert themselves to sever ties with wrong practices of the past, which he said degraded morality in society and undermined the nation's international competitiveness.

"To establish a genuine rule of law is one of the most important goals of the reforms the civilian government has been carrying out," Kim noted.

DLP Draft To Specify Suspension of Statute

SK0112092895 Seoul YONHAP in English 0642 GMT 1 Dec 95

[FBIS Transcribed Text] Seoul, Dec. 1 (YONHAP) — The ruling Democratic Liberal Party (DLP) will specify in the projected "May 18 special law" the suspension for 12 years and five months of the statutory limitation of action for those involved in the military mutiny in 1979 and the bloody crackdown on the Kwangju pro-democracy uprising in 1980, informed party officials said Friday.

The sources said that a subcommittee of the DLP Special Law Drafting Committee is to table a draft law containing four to five articles at the fourth meeting of the committee slated for Friday afternoon.

One of the articles is stipulating the suspension of the statute of liminations from Sept. 1, 1980, when Chon Tu-hwan became chief executive of the Fifth Republic, to Feb. 24, 1993, the date of No Tae-u's last day as president, sources said.

The subcommittee tentatively calls the draft law "the special law concerning constitutional rule-breaking crimes and anti-human crimes," sources said.

The draft specifies that no statutory limitation of public action as provided for in the criminal code shall be applied to perpetrators of crimes disrupting constitutional rule and anti-human crimes.

The proposed law will not specify the exact details as to who among those involved in the army revolt and the Kwangju massacre will be charged, as such judgements will be left to the discretion of investigative bodies like the prosecution, the officials said.

Comments on Left-Wing 'Conspiracy' Viewed

SK0112052395 Seoul YONHAP in English 0300 GMT 1 Dec 95

[FBIS Transcribed Text] Seoul, Dec. 1 (YONHAP) — Rep. Ho Hwa-pyong of the ruling Democratic Liberal Party (DLP) received Friday stern rebukes from both the ruling and opposition parties for his denunciation, in a speech Thursday at the National Assembly, of the political circles' move to write a "May 18 Special Law" as a "conspiracy of the left wing."

Rep. Kang Sam-chae, DLP secretary general, said, "It is audacious of him, who was one of the key players in Dec. 12 and May 17 coups d'etat, to call the legislation of the special law a conspiracy of the left wing."

He dubbed Ho's claim "an absurd remark of a person who lost his reason."

Formerly a key aide to former President Chon Tu-hwan when the latter headed the Defense Security Commander (DSC), Ho insisted in his speech that politically left-leaning forces are "showing signs of trying to render the military powerless." He added that such groups are attempting to deal a great blow to right-wing powers by using the opportunity to prosecute those involved in the Dec. 12 and May 18 incidents in order to grasp the initiative in the current political arena.

Allowed to make his personal remarks at the plenary session, he said, "The current situation is that the minor powers led by left- wingers are acting as if they are representing the most of the people, while the conservative rightists are keeping silent."

The main opposition National Congress for New Politics (NCNP) said Ho's remarks are "deceptive sophistry."

Pak Chi-won, NCNP spokesman, said, "If this country is to correct the attitudes of those involved in May 18 incident, the political bloc must introduce the special prosecutor system and enact the May 18 special law to punish all of those involved in the Dec. 12 and May 18 incidents."

The minor opposition Democratic Party (DP) said that "The people will never tolerate the DLP member's absurd remarks, with Ho having been one of the main figures who trampled down the Constitution and killed innocent people."

Reportage on Prosecution Summoning Chon Tu-hwan

SK0112080395 Seoul KBS-1 Radio Network in Korean 0715 GMT 1 Dec 95

[FBIS Translated Text] This is KBS flash news. The investigation headquarters for the 12 December incident [in which the Martial Law Commander-General Chong Sung-hwa was detained by General Chon Tu-hwan's faction] and the 18 May incident [in which the Martial Law Troops repressed the civil uprising in Kwangju] informed Mr. Chon Tu-hwan [former ROK president], through his lawyer Yi Yang-u, that he appear before the prosecution at 1500 tomorrow [0600 GMT 2 December].

Summons Causes Mixed Reaction

SK0112110595 Seoul YONHAP in English 1057 GMT 1 Dec 95

[FBIS Transcribed Text] Seoul, Dec. 1 (YONHAP) — South Korea's political parties showed mixed reactions Friday to the prosecution decision to summon former President Chon Tu-hwan Tuesday [5 December] to grill him as a suspected mastermind in rebellion.

The ruling Democratic Liberal Party (DLP) said Chon's summons is a natural part of the projected investigation of those involved in the December 12 and May 18 (Kwangju) incidents.

"The prosecution decision to summon Chon duly reflects the people's wish that a mistaken part of history be rectified and that steps be taken to prevent the recurrence of any act that jeopardizes the nation's constitutionality," DLP Spokesman Son Hak-kyu said.

DLP Rep. Kim Un-hwan said that Chon's summons came earlier than expected.

"I think the Chon side's irrational posture seems to have offended those in the core of power and led to a speedy action against Chon," Kim said.

The opposition National Congress for New Politics (NCNP) tried to dismiss the prosecution decision as a "politically motivated move of those in power" to shun the introduction of a special prosecutor system.

NCNP head Kim Tae-chung said, "Our party is in the belief that the public prosecution have no credibility to investigate the May 18 incident, and therefore urges the prosecution to stop looking into the incident forthwith."

NCNP Spokesman Pak Chi-won said that investigation of the May 18 incident without special investigator would only increase public distrust in the government.

The Democratic Party said the decision to summon Chon is a rightful step intended to liquidate a mistaken part of history and restore justice.

DP Spokesman Yi Kyu-taek said thorough probe should be made also into the possible amassing of large assets by Chon Tu-hwan, saying that it is widely rumored that Chon had illegally made a huge personal fortune even larger than No Tae-u's.

Rep. Kang Chang-song of the DP said it is more than proper to summon a coup mastermind who he said staged an immoral mutiny to jeopardize the military and state discipline and massacred citizens to grasp power.

The United Liberal Democrats (ULD) said the party welcomes Chon's summons but investigation of Chon before the issue of a special prosecutor system is acted on at the assembly may incur public criticism and suspicion.

"If the prosecution intend to complete investigating Chon before any floor action on the proposed special prosecutor system, it would be a mistake that would only invite public criticism and suspicion," ULD Spokesman Ku Chang-nim said.

ULD floor leader Han Yong-su said it is self-contradictory for the prosecution, which earlier refused to investigate Chon and others on the theory that those involved in a successful coup cannot be punished, to attempt now to probe Chon.

'Thorough Questioning' Urged

SK0112084795 Seoul YONHAP in English 0825 GMT 1 Dec 95

[FBIS Transcribed Text] Seoul, Dec. 1 (YONHAP) — The ruling Democratic Liberal Party (DLP) urged the prosecution Friday to make a thorough questioning on ex-President Chon Tu-hwan to uncover the truth of the 1979 military coup and the 1980 Kwangju tragedy.

The prosecution plans to summon Chon at 3:00 PM Saturday [0600 GMT 2 December] for questioning on his role in both incidents.

In a statement he issued Friday afternoon, DLP Spokesman Son Hak- kyu said, "Such a tragedy should never happen again in this country, and any action to destroy constitutional rule should never be allowed as well."

He also urged that Chon should actively cooperate with the prosecution's inquiry to reveal the truth concerning both occurrences.

'Massive Field Exercise' Planned for Mar

SK0112015295 Seoul THE KOREA HERALD in English 1 Dec 95 p 3

[FBIS Transcribed Text] South Korean forces will conduct a massive field exercise next March without U.S. forces if Team Spirit, the Korea-U.S. joint field drill, is not held next year, the Defense Ministry said yesterday.

Along with Air Force fighters, two Army Corps will participate in the field exercise to be held in the Yoju-Ichon area of southern Kyonggi Province, a ministry spokesman said.

The Navy will at the same time have a maneuver in the West Sea [Yellow Sea] while the Marine Corps will conduct an amphibious landing drill near Pohang, the spokesman said.

He said, however, South Korean forces will join Team Spirit '96 along with U.S. forces when Seoul and Washington agree to conduct the annual joint drill. The independent field exercise by the South Korean forces will be possible as the peace-time operational control of Korean troops was transferred from the U.S. side to the Korean military as of Dec. 1 last year.

South Korea and the United States skipped Team Spirit, which was usually held in February or March with the participation of over 100,000 troops, in 1992, 1994 and this year to help create a favorable mood for inter-Korean talks and encourage North Korea to implement its earlier agreement to drop a nuclear program.

In their annual Security Consultative Meeting held in Seoul in early November, Defense Minister Yi Yang-ho and his U.S. counterpart William Perry said it had not been decided whether to push ahead with Team Spirit '96. Yi and Perry said they will decide the matter later after watching and verifying North Korea's implementation of international commitments and its military threat against the South.

Prosecution To Indict Three of No's Aides

SK0112022995 Seoul YONHAP in English 0219 GMT 1 Dec 95

[FBIS Transcribed Text] Seoul, Dec. 1 (YONHAP) — As part of its investigation of the slush fund scandal involving former President No Tae-u, the prosecution will indict three of No's aides early next week for their involvement in the scandal.

An arrest warrant will be issued for Rep. Kum Chin-ho of the ruling Democratic Liberal Party, but ex-lawmakers Yi Won-cho and Kim Chong-in will be indicted without detention, an official said.

Kum is suspected of having arranged for No to shift some 90 billion won out of his illicitly-amassed fortunes from false-named bank accounts to accounts opened in the names of Daewoo and Hanbo Business Groups, a violation of the real-name financial transactions system in September and October 1993. He is also charged with adding to the slush fund from 2-percent commissions that he received from contractors of oil storage facilities construction projects in July 1991.

Yi and Kim are suspected of having received bribes from business leaders, including former Donghwa Bank President An Yong-mo, while helping No illegally collect money from business tycoons.

The prosecution will summon one or two conglomerate executives again shortly for questioning about how much money they gave No, the official said.

In view of the possible impact of such legal actions on the economy, the degree of judicial proceedings against such company chiefs will depend on the amount and manner in which they handed kickbacks to No and other circumstances.

Plan To Not Seek Constitutional Revision Noted

SK0112063895 Seoul THE KOREA HERALD in English 1 Dec 95 p 2

[Article by staff reporter Sin Yong-pae]

[FBIS Transcribed Text] With the ruling party faced with a dispute over the constitutionality of its proposed special law to indict two former Presidents on treason charges, some party officials suggested amending the Constitution.

The suggestion gained momentum when a top ruling party leader said yesterday that his party could push for constitutional revision if the constitutionality issue should be raised in the process of enacting the special law.

The party may have judged that constitutional amendment will help free its proposed special law from a legal dispute over whether the legislation would be retroactive and thus unconstitutional.

All of a sudden, however, the ruling party decided not to amend the Constitution.

As a matter of the fact, the ruling camp had increasingly felt the need to amend the Constitution in the face of a dispute over the constitutionality of the proposed special law.

The legal dispute was triggered last week when the Constitutional Court reportedly concluded that it would be against the Constitution to indict the two former Presidents — Chon Tu-hwan and No Tae-u — on treason charges.

Reports had it that court justices had agreed that the 15-year statutory limitation concerning the indictment of the two former Presidents has already expired.

Former President Chon threatened to appeal to the court to rule on whether or not the proposed special law is unconstitutional.

Under these circumstances, the ruling party was groping for ways to resolve the issue of constitutionality.

Some party officials suggested a new provision in the Constitution, which would call for non-applicability of statutory limitations to treason charges against Chon and No.

The two former Presidents have been accused of waging a military coup in 1979 and masterminding a military crackdown on a civil uprising in 1980.

Chon already spent nearly two years in exile in a Buddhist temple, holding himself responsible for the wrongdoings he committed during his tenure from 1980 to 1988.

His successor, No, is now in the prosecution's custody on charges of taking bribes from corporations while he was in office in 1988- 93.

President Kim, who is distancing himself from Chon and No, regards them as having destroyed constitutional order when they launched the coup and allegedly ordered the crackdown on the civil uprising.

It was not known why the ruling party dropped the idea of constitutional change.

But some political analysts say that the ruling party may have judged that it will have greater difficulty in amending the Constitution than it first anticipated.

It may not be an easy job for the ruling party to pass a constitutional revision bill through the National Assembly, although it controls the parliament.

One reason is that many of its lawmakers might defect from the party decision in favor of constitutional amendment.

A majority of party lawmakers were loyal to Chon and No when they were Presidents.

Many of them, if not all, might choose to oppose the constitutional change aimed at paving the way for the indictment of their political mentors.

Moreover, opposition parties, which welcomed the ruling party's move to legislate the special law, might balk at the idea of cooperating with the ruling party on amending the Constitution.

People Linked to Document-Forging Arrested

SK0112021195 Seoul TONG-A ILBO in Korean 28 Nov 95 p 31

[FBIS Translated Text] The prosecution has uncovered a group of approximately 108 people, including parents and presidents of well-known overseas studies academies involved in assisting children of wealthy people in studying in the United States, after having them obtain visas for overseas studies with forged college admission documents for a considerable commission.

On 27 November, the special investigation team of the southern branch office of the Seoul prosecution (Chief Prosecutor Sin Kon-su) arrested four academy presidents — such as Mr. An Song-su (37), president of "M" Academy — who have illegally helped students study in the United States, and five other people — such as Mr. Song In-ho (44), a forger of documents — on charges of fabricating official documents.

The prosecution arrested 10 parents, who requested assistance on the visa issuance, including Ms. Kim Hyon-suk (46, female), on charges of fabricating the official documents. In addition, it has begun a search for other 93 persons throughout the country, including Ms. Yi Ye-sun (43, female).

Trade Minister Discusses Trade Deficit

SK0112062895 Seoul THE KOREA TIMES (SUPPLEMENT) in English 1 Dec 95 pp 1, 3

[Report on interview with Trade, Industry and Energy Minister Pak Chae-yun by unidentified KOREA TIMES reporters; date, place not given]

[FBIS Transcribed Text] Entering an era of over 100 billion dollars a year in exports, there is a clear and necessary recognition that Korea must focus more on qualitative expansion than simple numerical growth.

In an interview with THE KOREA TIMES, Trade, Industry and Energy Minister Pak Chae-yun said the respectable volume of Korean trade certainly calls for consideration of other important factors.

"We need to look for more qualitative expansion based on informatization and standardization to ensure that the momentum of growth can be maintained in a healthy manner," explained Pak.

Indeed, Korea's performance in world trade leaves many countries green with envy. It took just 31 years for the nation to reach the 100-billion-dollar mark after exporting goods worth 100 million dollars in 1964.

Not only was Korea the fastest country to go from 100 million dollars to 100 billion dollars in trade, the explosive economy surpassed all other countries in average economic growth during the period.

Pak said Korea's becoming only the 12th country to reach the milestone is strong testimony to the power of its economy and its increasingly important role in the global marketplace.

However, the qualitative expansion has not been without problems. In addition to surpassing the 100-billion-dollar mark in exports, the trade deficit is also threatening to break through 10 billion dollars for the first time ever.

According to Pak, the trade deficit is not quite as problematic as some make it out to be. "The truth of the matter is that the trade deficit, even if it breaks through the 10 billion dollar mark, will only account for 2.3 percent of overall trade. This is an improvement from the past," he explained.

The professor-turned-minister went on to say that the structure of the Korean economy is actually devised in such a way that imports are mostly centered around capital goods for manufacturing.

"We have perhaps one of the healthiest trade deficits since more imports inevitably means more exports. While improvement in this area is desirable, the structure itself is not a bad one," Pak noted.

To deal with the problem, the government has been taking aggressive steps to promote the capital goods industry, especially through the localization of machinery, to improve the overall trade imbalance.

In particular, the minister said, the promotion of the machinery and manufacturing equipment industry is critical to correction of the enormous trade deficit with Japan.

Pak explained that his ministry is currently pursuing an aggressive plan under which the capital goods industry is being strategically promoted with a view to making the industry as a whole more productive.

On the launching of the World Trade Organization (WTO), Pak said that the most important thing is for Korean companies to secure a higher level of international competitiveness so that they can go head on with foreign companies both at home and abroad.

"Basically, there is an immediate need to improve the image of made-in-Korea products which have yet to win recognition for quality and performance," he admitted.

Instead of concentrating on low-end and middle-of-the-road products, it is time for Korean companies to move up into the high value-added bracket using high technologies, especially in electronics and telecommunications.

Along these lines, Pak said greater efforts must be made toward informatization and standardization which will bolster the competitiveness of Korean companies in the global marketplace.

Standardization, in particular, is a critical part of boosting the competitiveness of Korean industries as a whole as they become more integrated and make their products more attractive to world consumers.

"It is true that Korea has been so engrossed in exports that companies ignored the necessary orderliness that is needed in achieving long-term goals. It is time to restructure the export industry," Pak said.

By this he meant that Korea companies must focus more on research and development and the localization of new technologies and coming up with innovative products that can be marketed exclusively in the world market.

Looking into the future, Pak said the most important industries will prove to be information and telecommunications as well as high- tech electronics areas in which Korean companies are currently focusing much of their attention.

Ultimately, it will be in these exciting sectors that the nation's industry and trade will be based. Korea was late in its industrialization efforts but it has caught up with many competing countries.

"With the right combination of technological development and strategic marketing in the world market, Korea can anticipate ranking among the world's most advanced countries over the next few years," he projected.

Turning to existing problems at hand Pak said the shortage of manpower, rapid increase in labor costs and other adverse conditions in the manufacturing industry are being addressed at all levels.

For one thing, he said, the government recently introduced aggressive legislation to promote small and medium-size industries which will certainly prove to be the bread and butter of the future economy.

The special law, scheduled to go into effect early next year, calls for a number of benefits for small companies, including the obligation provincial governments introduce supportive measures on an annual basis.

At the same time, in an effort to promote industrial technology, the government will be putting in motion a five-year development plan, forming the basis for development projects lasting through the year 2005.

"The plan will be instrumental in setting the pace for the development of industrial technologies for new sectors, thus helping private companies enter new territories in cooperation with research institutes," Pak elaborated.

These integrated efforts are certain to translate into the opening of a new chapter in Korean trade as the nation's braces to join advanced countries by becoming a member of the Organization for Economic Cooperation and Development (OECD).

"Now more than ever, the nation must come together in recognizing the changes in the world marketplace and devising effective business strategies to ensure its position as a key player," the minister said.

To mark the important breaking through the 100-billion-dollar mark in exports, MOTIE, in cooperation with the Korea Foreign Trade Association, is organizing a number of events to instill in the minds of the people how far they have come in the global community.

Ministry Reports Trade Deficit at $9.82 Billion

SK0112093195 Seoul YONHAP in English 0748 GMT 1 Dec 95

[FBIS Transcribed Text] Seoul, Dec. 1 (YONHAP) — The Trade, Industry and Energy Ministry reported Friday that the nation's trade deficit totaled 9.82 billion dollars on a customs clearance basis during the first 11 months of the year.

The ministry predicted the deficit for the entire year to be settle at 9.7 billion dollars in view of the usual monthly trade surplus recorded for December in past years.

December's trade surplus stood at 887 million dollars in 1991, 142 million dollars in 1992, 644 million dollars in 1993 and at 87 million dollars last year.

The 9.7 billion-dollar deficit estimate for this whole year is higher than the all-time record high of 9.65 billion dollars registered for 1991.

In November, exports jumped 25.1 percent from a year earlier to 11.54 billion dollars and imports climbed 23.8 percent to 11.85 billion dollars, resulting in import growth being lower than the rise in exports for the fifth consecutive month. Accordingly, last month's trade deficit stood at 310 million dollars, the second smallest monthly figure following October's 180 million dollars.

But the arrivals of letters of credit (L/C), a measure of export achievement two to three months later, in November fell 6.8 percent from a year earlier to 3.36 billion dollars.

But ministry officials said the decreased L/C arrivals do not bear a significant meaning because the share of L/C-based exports in total exports is declining.

Plans To Amend Foreign Exchange Law Revealed

SK0112093295 Seoul YONHAP in English 0722 GMT 1 Dec 95

[FBIS Transcribed Text] Seoul, Dec. 1 (YONHAP) — Beginning next year, South Koreans emigrating to a foreign country may bring up to one million U.S. dollars as relocation and settlement expenses on a four-member family basis — 400,000 dollars for the family head and 200,000 dollars for each of the remaining members.

The upper limit on foreign stock investment will be raised from the current 15 percent of a given company's total capitalization to 20 percent next year.

Foreigners will be allowed to invest in stock investment funds launched by domestic investment trust houses within a fixed limit, while foreign investment trust firms may launch such mutual funds investing in Korean securities for overseas investors only.

Individual and corporate investers will be completely free to invest in overseas securities markets as institutional investors are allowed now, though those investing beyond a fixed amount in foreign markets will be required to report such investments to tax authorities.

Institutional investors will have the freedom to deposit as much money as they want in overseas banks and to freely lend as any amount of funds to overseas borrowers in operating their financial assets overseas.

These are highlights of the plans that the Finance and Economy Ministry announced Friday to amend the Foreign Exchange Control Law and related rules next year.

They are intended to reform the foreign exchange market earlier than the scheduled 1996-99 time frame, ministry officials said.

The plans call for increasing payments exporters receive from their overseas customers prior to shipments of ordered goods, or advances, to 15 percent of the previous year's export record in 1996, 20 percent in 1997, and 30 percent in 1998.

Foreign corporations will be allowed to float won-denominated bonds and commercial paper here, while domestic small and medium- sized companies may issue unsecured bonds exclusively for foreign investors.

Overseas subsidiaries of South Korean companies will be completely free to borrow funds from local lending institutions in 1996. At present, their local financing is limited to a certain range of uses.

In 1998, the government will consider lifting restrictions on the introduction by domestic companies of cash loans from foreign banks.

To make the won an international means of payment, overseas branches and subsidiaries of South Korean banks will be allowed to receive won-fund deposits from foreigners, and South Korean residents, both natives and foreigners, may carry up to 10,000 U.S. dollars worth of won (7.7 million won based on 770 won equaling one dollar) when they travel to and from the country.

Non-resident foreigners may also hold won funds within the limits set on their licensed trade domestically, with both residents and non-residents being able to mutually guarantee to pay each other's debts.

Hyundai Plans To Lead Semiconductor Industry

SK2911065795 Seoul THE KOREA HERALD in English 29 Nov 95 pp B1, B2

[FBIS Transcribed Text] Hyundai Electronics Industries Co. (HEI) has recently set up an ambitious goal of displacing Samsung Electronics as the leader in the semiconductor chip industry.

Hyundai's strong determination is well reflected in its long-term investment strategy.

A readjusted Hyundai plan calls for a facility investment of 10.36 trillion won ($12.95 billion) between the year 1996 and 1998.

HEI's large-scale investment dwarfs that of Samsung, which plans to spend 6.3 trillion won ($7.87 billion) in the same period. Another chip giant, LG Semicon, will pump in about 6.6 trillion won over the next three years.

Celebrating the company's 12th anniversary in early October, HEI Chairman Chong Mong-hon said that

Hyundai will invest about 20 trillion won by the year 2000 in a bid to become one of the world's top-ranking multinational electronics giants.

"The long-term strategy calls for an increase in HEI's annual turnover to 21.5 trillion won by 2000. Hyundai will continue to expand investment in memory chips, multimedia, telecommunications equipment and service, aerospace, and TFT-LCD [thin-film transistor liquid crystal display] screens over the next five years," said Chong.

Convinced that the world's chip demand will start to move toward the 16 M [megabyte] DRAMs [dynamic random access memory] from next year, Hyundai plans to concentrate on expanding facilities for the production of 16 and 64 M DRAMs.

By the end of this year, the three domestic chip makers will produce 26 million 4 M DRAM chips and 16 million 16 M DRAMs.

But the trend is likely to reverse itself in 1996 as the three giants plans to turn out 27 million 4 M DRAM chips and 35 million 16 M DRAMs in the year in line with the worldwide trend.

High value-added products such as 16 M DRAMs and 64 M DRAMs are estimated to multiply to 49 million units and 2.5 million, respectively, in 1997 and to 51 million units and 19 million units, respectively, in 1998.

HEI will also increase exports of its 16 M DRAM chips to 9 million units 2 month by the end of next year.

Industry people call Hyundai' growth story a miracle.

No one would have thought 10 years ago that a start-up company, even one whose name began with Hyundai, would make it so big in the highly unpredictable and competitive semiconductor chip market.

Even with strong financial backing, HEI had to start from scratch. In fact, government officials and industry experts expressed deep worries in 1985, when HEI kicked off the construction of an assembly facility in Inchon, Kyonggi Province.

Ten years later now, Hyundai is likely to easily accomplish its annual sales of more than 3 trillion won by the year's end, partly because of its expanded production facilities.

Considering that the net profit is estimated at about 35 percent of the total turnover in the memory-chip industry, Hyundai's profit is likely to break the 1.3 trillion mark this year.

According to industry analysts, the combined net profits of Samsung Electronics, HEI and LG Semicon will exceed 4 trillion won ($5 billion) on revenues of 11 trillion won this year.

Just a month ago, HEI surprised the world's semiconductor-chip industry by developing a dream chip, which is twice as fast as the 256 mega asynchronous DRAM (dynamic random access memory), currently called the most powerful and fastest chip. The synchronous-mode 256 M DRAM chips manufactured by HEI researchers after two years of R&D efforts is the world's first.

Hyundai executives are convinced that their next R&D goals, 1 giga [gigabyte; 1 gigabyte = 1,000 megabytes = 1 billion bytes] and 4 giga DRAM chips, will be accomplished in one or two years.

Continuing to expand its domestic and overseas operations, HEI will create a new division to produce flash memory semiconductor devices in the United States.

The Hyundai flash division will eventually employ about 150 people and expects to enter the U.S. market with new products in 1996.

The industrial giant is also pushing to build a $1.3-billion chip plant in Eugene, Oregon, with a target opening date of late next year.

HEI will produce 64-mega DRAM chips at the new U.S. plant from March 1997. The output at the Eugene plant will be 30,000 chips a month on 8-inch wafers.

The investment Hyundai will make through Hyundai Electronics America (HEA) will also be the largest overseas investment by a Korean company. The new plant will supply primarily the U.S. market.

Once mass production gets underway, Hyundai expects the annual sales volume to be $140 million in the first year, and $800 million by the second year in 1998. The company is targeting to raise the annual sales to $1.6 billion by 1999. Construction on the 206-acre site is scheduled to begin by next August.

HEI decided on the Oregon site after having considered other U.S. states including Texas and Colorado. Eugene was picked due to the accessibility to high-quality manpower including engineers and experienced plant workers. Local hiring is expected to number about 1,000 persons.

Hyundai is a leader in dynamic random access memory chips, or DRAMs. Flash memory chips are growing in popularity because they can be reprogrammed easily and will retain data without the power in a personal computer being on.

"Flash is an excellent growth opportunity for Hyundai," said a Hyundai executive.

"Our long-term goal is to become the leading supplier of memories. We are currently a major DRAM player and we see flash providing our next most significant sales opportunity in this era."

The Hyundai-made synchronous 256 M DRAM chip, measuring 323 sq. milimeters in size, can process information two times faster than the conventional asynchronous-mode chips. In other words, the synchronous chips are considered the only solution to the "bottleneck phenomenon" in information processing.

The dream chip has been competitively pursued by leading chip makers, including Samsung Electronics Co. and NEC of Japan, but Hyundai became the first to develop the synchronous-mode 256 M DRAM.

According to reports, Samsung and NEC, both developers of asynchronous 256 M DRAMs, have yet to complete their R&D projects on the futuristic synchronous-mode chips.

Hyundai plans to start manufacturing the synchronous 256 M DRAM products on a trial basis from 1997 after making further effort to reduce the chip size and upgrade its performance.

The only weakness of the synchronous- mode chips is their price tag. The synchronous models are about 20 to 30 times as expensive as the conventional asynchronous products. For that reason, the synchronous models account for just 30 percent of the world's 16 M DRAM market at present.

Hyundai Electronics Ind. has already presented a dissertation on its synchronous-chip technology to the International Solid State Circuit Conference (ISSCC) in February in the United States and to the Symposium on VLSI Circuits in June in Japan.

HEI's brilliant R&D accomplishment does not end there.

In October, the company successfully developed what it calls the nation's first power-saving second-generation 4 mega S-RAM, which is expected to be widely used in the manufacturing of mobile phones and satellite-communications terminals.

"Compared with the first-generation 4 mega S-RAM chips, Hyundai's second-generation chip occupies smaller space and consumes less electric power, but can process data at a much higher speed," a company spokesman said. The new chip product has a speed of 35 nano seconds at 3 volts.

"Notably, the second-generation chip can operate at as low as 2.4 volts," he said, adding that about 20 Hyundai researchers worked on the project for a year. Hyundai aims to seize the low-voltage high- speed S-RAM market by starting to mass-produce its second-generation S-RAM chips from 1997.

HEI's other R&D success included the development of "Smart Power IC," [integrated circuit] a nonmemory semiconductor chip that operates the ultraprecision mini motors.

Smart Power IC is a kind of power IC that moves small motors embedded in CD [compact disc] players, LD [laser-disc] players, HDD [hard disk drives], cameras and camcorders, the spokesman said, adding that it is about 25 percent smaller than other existing chips. "Smart Power IC," developed jointly with Korea University over the past two years, is scheduled to be mass-produced from 1996. By then, the new product will replace chip imports, worth more than $15 million, the spokesman said. The domestic power-IC market grows by about 25 percent annually.

Information Systems

Hyundai is also considered a strong player in the telecommunications service and equipment markets. The company has been participating in a variety of state-of-the-art telecoms service projects, including the digital CDMA (code division multiple access) system and subscriber terminal, VOD (video on demand), Globalstar low-orbit satellite communications service, and personal communications service (PCS).

As part of an effort to raise its competitiveness in the digital cellular-phone system, Hyundai has developed the nation's first GPS (global positioning system) timing synchronization system, a key part of the CDMA digital cellular system.

The GPS timing system is indispensable to accomplishing ultra high-speed communications in the personal communications service (PCS), paging and satellite networks as well. So far, domestic research labs have depended on imported GPS timing systems costing about 8 million won per unit for their CDMA-related experiments. Hyundai, which will start mass-production of the system from late this year, plans to develop lower-priced models for overseas markets.

Hyundai also manufactured a key CDMA equipment that will drastically improve cellular-call service capacity. The company has succeeded in increasing the capacity of the channel card from four channels to eight channels. Channel card, one of the most important parts of the digital cellular CDMA system's base stations, is used to send digital voice signals from the transmitting station to the destination station.

Hyundai, whose analog cellular phone, Cityman, has continued to expand its market share, has also succeeded in developing a second- generation CDMA digital handheld phone. The new CDMA terminal, which adopts the second-generation MSM (mobile station modem) chips, is much lighter and smaller than the existing digital cellular models.

"The new CDMA terminal will make possible a variety of digital multimedia services, including message service, voice mail, and data and facsimile communications," a Hyundai spokesman said. "Notably, the dual-mode phone can also operate in the analog environment," he noted.

Hyundai, which plans to start mass-production of the new phone later this year, seeks to become a major CDMA-equipment supplier for Korea Mobile Telecom and Shinsegi Telecomm next year.

An optical-communications transmission module, developed by HEI in August, is a result of the company's other effort to strengthen the telecom sector.

The transmission module, regarded as a key part in the fiber- optic cable communications system, is used to convert electrical signals to optical signals before sending them to the fiber-optic cable. "Hyundai's optical module, equipped with a speed of 2.5 Gbps, or 2.5 billion signals per second, can transmit data to as many as 32,000 telephone lines at a time," said a company spokesman. The module can help telecom-service operators send optical signals to locations about 40 km away without the help of optical amplifiers. "The domestic optical-communications system makers have depended on U.S. or Japanese companies such as AT&T, NEC and Fujitsu for the supply of the optical transmission module. The Hyundai- developed module is expected to substitute imports worth several tens of millions of dollar," the spokesman said. He said Hyundai plans to develop an optical-receiving module and a larger-capacity 155-MBps-class [megabytes per second] transmission module within several years.

Hyundai also developed a desk-top videoconferencing system in a joint R&D project with Indian software maker BFL Corp. last month. Hyundai's new videoconferencing system can be operated on the 486- class desk-top PCs in the corporate local area network (LAN) environment. "Compared with the existing work station system which requires the ISDN (integrated service digital network) and large- size screens, Hyundai's new desk-top system will help corporations save investment expenses," a company spokesman said. "The TCP/IP (Transmission control protocol/Internet protocol) multicasting protocol, built into the new desk-top system, will enable up to four persons to conduct a multiparty videoconference at the same time," he said. The system can also be used for the electronic blackboard (white board) service, remote medical diagnosis service, and tele-education.

Industrial Electronics

Hyundai is quietly but notably expanding its presence in home and industrial electronics products. Hyundai has introduced highly advanced models in the fields of digital camera, personal computers and automobile A/V system, among others.

To strengthen its marketing campaign, Hyundai opened a large- scale sales outlet in Yangjae-tong, southern Seoul. The outlet will deal in all of Hyundai-made electronics products, including cellular phones, household phones, keyphones, cameras, copy machines, computers and facsimiles. The outlet, covering about 148.5 sq. meters, is aimed at expanding the domestic market share and boosting the Hyundai brandname. Hyundai plans to set up several more such outlets in Seoul and other provincial cities.

A wholly new concept of photographing will be introduced as Hyundai has developed a "filmless" digital camera. The digital camera can store up to 96 pictures on a built-in memory chip and reproduce them on a liquid crystal display (LCD) screen. In addition, users can freely edit or modify the picture images on other large-size screens by linking the camera with PC, TV or VCR. The 130-mm-wide, 66-mm-long and 40-mm-thick portable camera, weighing 190 grams, can also be used for conference presentation and leisure activities.

An ultra high-speed automatic camera model, capable of shooting up to four scenes a second, is another of HEI's accomplishments in the camera field. "Compared with the conventional high-speed cameras which can shoot just two scenes a second, Hyundai's new mode, named OZ-120 Zoom Panorama, can handle as many as four scenes per second," said the company spokesman. "In addition, the new camera has several other advanced functions, including high- precision self-focusing, one-touch panorama conversion, wireless remote control, macro function and luminous LCD panel," he said, adding that the hard case is waterproof.

Hyundai's development of a "car audio/video system," which can function as TV, radio and cassette player, will benefit motorists. The new A/V system, developed at a cost of 500 million won after two years of research, is equipped with a 4-inch TFT-LCD screen TV set. The system particularly improved its TV and radio frequency reception capabilities by installing the Diversity circuits.

The company also debuted two new models of an interactive video CD player, which is equipped with a reinforced karaoke function. Hyundai's HCV-1060 model can reproduce up to 10,000 songs per CD diskette and has scoring, repetition and several other advanced functions, while-HCV-300 model can accommodate three CD diskettes simultaneously.

Hyundai is planning to invest heavily in the precision optical instrument over the next five years. A Hyundai executive said that the company will pump in about 50 billion won by 2000 to develop futuristic models of copying machines and cameras.

"Hyundai will spend 10 million won this year to expand the domestic copying-machine sales network, while setting up a R&D center in Japan at a cost of 6 billion won," he said.

Hyundai is also marketing a superpower laser printer, named "XLaser Ks." The XLaser Ks is equipped with a superpower engine capable of printing up to 10 sheets per minute. A high-speed 32 bit RISC CPU (reduced instruction set computer central processing unit), 300-dpi (dot per inch) high-resolution printing and 2.5 megabyte memory function are other important features of the new printer.

Development of a central processing unit (CPU) chip, called the brain of computers, meant a big stride by Hyundai in the computer industry.

In a joint R&D project with the Korea Advanced Institute of Science and Technology (KAIST), HEI researchers succeeded in manufacturing 0.8-micron-class CPU chips, which have compatibility with Intel 386 microprocessor chips.

Advanced electronics systems designed to boost the safety of automobiles is Hyundai's other big concern.

HEI, a sister company of Hyundai Motor Co., has successfully developed an "automobile-crash warning system (ACWS)." The ACWS issues a warning sound to the drivers as other vehicles are approaching their cars from behind, for example. The drivers are also alerted by the ACWS if their cars move too close to the automobile in front of them.

Notably, HEI's ACWS can work like the airplane black box in case of accidents, and still operate normally in the night-time.

Engineers at HEI aim to sharply reduce the number of traffic accidents in the future by equipping all Hyundai-made cars with the collision prevention system.

Development of a new electronic ABS (anti-skid brake system) designed to drastically shorten the skidding distance in the event of emergency braking cannot be overlooked. The company has poured about 1.2 billion won over the past 16 months to introduce the "ABS- ECU" (electronic control unit) equipment. HEI's ABS-ECU guarantees the optimum operation of the car braking system by closely analyzing the speed signals sent by wheel sensors. HEI plans to invest an additional 300 billion won over the next five years to develop air bag sensors, smart cards, engine control units and other electronic automobile parts.

Burma

SNLD Chairman Urges 'National Reconciliation'

BK3011021095 (Internet) BurmaNet News in English 28 Nov 95

["Unofficial translation" of a letter from Khun Tun U, chairman of the Shan Nationalities League for Democracy, to Senior General Than Shwe, chairman of the State Law and Order Restoration Council, and Aung San Suu Kyi, general secretary of the National League for Democracy, dated 26 November]

[FBIS Transcribed Text] An appeal for National Reconciliation

1. The Shan Nationalities League for Democracy [SNLD] aiming at the benefits of the state and its nationals and at the immediate emergence of peace and development of the country much expected by the people, hereby submit this appeal with sincerity.

2. It is found that the goal to build a genuine multiparty democratic is an indifferent and common aim of the majority of the people and various organizations. If there is a common aim, we believe that there will be no difficulty to cooperate and to hold dialogue. We also believe that various organization are now carrying out their tasks, keeping national reconciliation as one of their aims. In accordance with these objectives, the SNLD will actively join hand and work for national reconciliation as well as for peace and tranquillity of the state.

3. Under the present political situation arising in the nation, the people in the whole country is eagerly expecting national reconciliation amongst ethnic groups as well as amongst various organizations. We believe that only the solution resolved through political means, which is the peaceful means for the entire union, will be able to achieve genuine national reconciliation and peace.

4. We should always keep an eye on peace, development and improvement of peoples lives in various states and regions. We believe that it is time to give priority to this fact.

5. It is the duty of every citizen in the Union of Burma to work for national reconciliation and for the emergence of the stable and everlasting union and every citizen to strive for it without exception. Shan nationalities have never wanted any events that would create differences between one another since the time before independence and this policy of ours remains the same to this day.

6. Hence we hereby request and appeal sincerely that it is time to strive for national reconciliation in order to build a genuine democratic union much expected by the people throughout the country.

[Signed] Khun Tun Oo, Chairman, Shan Nationalities League for Democracy

Ethnic Groups Urge Boycott of National Convention

BK2811063195 Bangkok THE NATION in English 28 Nov 95 p A8

[Report by Yindi Loetcharoenchok]

[FBIS Transcribed Text] Burma's armed ethnic groups yesterday urged all parties concerned to boycott the National Convention which today resumes the task it started in early 1993 of drafting a new national constitution.

In a statement released yesterday, the National Democratic Front (NDF), an umbrella organization of about 10 ethnic groups, urged the junta, officially known as the State Law and Order Restoration Council (SLORC), to abandon the "sham" national convention "which was held against the aspiration of the masses".

It added that the NDF shared the view of Burma's pro-democracy leader Aung San Suu Kyi who last week called the convention "totally unacceptable" and threatened that her party, the National League for Democracy (NLD), might boycott it.

"This declared attitude of the National League for Democracy is just and right. In addition, it is also in accordance with the aspiration of the ethnic nationalities and colleagues of democracy that oppose the military regime," the NDF statement said.

The NDF, which was formed in 1976, has called for a "tripartite dialogue" involving the SLORC, pro-democracy forces and ethnic groups, saying that there exist today two political problems in the country — the question of equality and self determination, and the question of human rights and democracy.

"To resolve these two problems, the NDF reckons that one has to adopt a 'tripartite dialogue' policy that has been accepted both at home and abroad. Only then, the problems shall actually be resolved," said the statement.

The NDF urged the SLORC to "think over seriously" and decide whether to follow the path that would end the country's five decades of civil war, or the path that would deepen the war and bring agony and poverty to the country and the Burmese people.

"As for the NDF, it shall stand shoulder to shoulder with ethnic nationalities and democratic forces and every organization that opposes the SLORC, to make a synchronized struggle and urge all parties concerned to strike against this sham National Convention by various means," it ended.

The Karen National Union (KNU), also an NDF member, yesterday released a separate statement expressing its opposition to the National Convention, a gathering held on and off since January 1993 of about 700 SLORC-picked delegates to draft a constitution.

It urged the SLORC to abolish the body and pave the way for a genuine national convention by declaring a nationwide ceasefire, scrapping all unjust laws and orders, and starting a "tripartite dialogue".

The KNU said the SLORC-organized national convention had gone against the people's will and had no public support. "During the procrastinating period of nearly three years, in convening this convention that has no one's support, many delegates were put into custody and some delegates abandoned this convention due to loss of confidence in it and came to the revolutionary areas," it said.

NGCUB Supports NLD Convention Walk-Out

BK0112033195 (Internet) BurmaNet News in English 29 Nov 95

[Statement of the National Coalition Government of the Union of Burma, dated 28 November 1955, issued in Washington D.C. — received via Internet]

[FBIS Transcribed Text] The National Coalition Government of the Union of Burma [NCGUB] fully supports the resolute decision by the National League for Democracy [NLD] to walk out from the "national convention" as it is being staged by the State Law and Order Restoration Council (SLORC) to legitimize military rule. We are truly proud of the NLD leaders who have never showed any hesitation in making correct decisions even if they meant risking their own personal well-being.

As a party overwhelmingly elected by the people to carry out their will, the NLD is duty bound to do what is most beneficial to the people. In light of the intransigent attitude by the SLORC convention authorities and the SLORC itself, the NLD has no option left but to leave what Daw Aung San Suu Kyi has described as "a national convention which is not heading for what the people want, which is not in any way desirous of bringing about national reconciliation, multi-party democracy or a constitution that will be acceptable to all the people of our country."

The NLD has done its best to create conditions conducive to a dialogue but the SLORC has refused to show any flexibility. We firmly believe that once the SLORC gives up its ambition of establishing a military dictatorship and start realizing that it is in the interest of everyone to work together, the problems that Burma faces today will fade away.

It has therefore become our duty as well as the duty of the international community which wishes to see justice done in Burma to dissuade the SLORC from trying to consolidate a military leadership and at the same time to give all-out support to the democratization efforts undertaken by Daw Aung San Suu Kyi and the NLD.

The international community must also avoid giving legitimacy to the SLORC's National Convention or to its outcome and must refrain from investing in Burma or giving financial assistance to the SLORC.

Let us all show our firm solidarity with the Burmese struggle for democracy by keeping up the pressure on SLORC until the time it sees the futility of its selfish exercise and decides to enter into a serious and meaningful dialogue with Daw Aung San Suu Kyi.

The Burmese people will prevail and democracy will come to Burma.

ABSDF Welcomes NLD Boycott of Convention

BK3011021495 (Internet) BurmaNet News in English 29 Nov 95

[FBIS Transcribed Text] ABSDF's [All Burma Students' Democratic Front] statement on the NLD's [National League for Democracy] boycott for the National Convention

The ABSDF warmly welcomes with our heart-felt congratulation to the decision and announcement by National League for Democracy saying that NLD would not send its delegation to the on-going National Convention. It decision was expressed in the letter sent to U Aung Toe, chairman of the National Convention Convening Commission on November 28, 1995 signed by U Aung Shwe, chairman of NLD.

The ABSDF also takes into account the patience of NLD until the last minute to hold a dialogue with SLORC [State Law and Order Restoration Council] after they pointed out the lacks of democratic ways and means in the National Convention and lack of moving towards ever-lasting peace.

The rightful decision of NLD could gain the continuous support by the people to their party and also could clearly constitute the leading role of NLD in the struggle for democracy in Burma. This decision also could cease the peoples long-time frustration on NLD for taking a time and could pave the way of cooperation and unity amongst opposition forces fighting against the SLORC military dictatorship.

SLORC is still ignoring and decrying the will of Burmese people and NLD. In the announcement issued National Convention Convening Commission today, the commission said that NLD was trying to destroy the benefits and fruitfulness of the on-going National Convention with destructive tactics and also trying to convene another national convention in which they could direct the representatives to work only for their party's benefit. The National Convention Convening Committee furtermore unreasonably accused that so-called NLD leader, kept asking to hold a dialogue without any means of control so as to give commands to the government.

According to this announcement, it is clearly be noted the SLORC's intention that does not recognize the will of the Burmese people and the leading role of NLD which is representing a people- elected party. The accusation which said NLD is trying to convene another national convention in which they could direct the representatives to work only for their party's benefit is their denial to convene the National Assembly of the 1990 election. It is also a violation of their official Declaration No. 1/90 in which the SLORC states that it is the duty of the elected representatives of the people to draw up a constitution. The SLORC believe that the on-going National Convention which entirely controlled by themselves is just and right. The response to the NLD's repeated request to hold a dialogue meeting as no means and as to give commands to the government clearly expresses their dictatorial reckless views.

We have to forge ahead with restless effort to make SLORC understand that their doomsday will come anytime and their basis of power is not supported by the people. The ABSDF hereby express its strong determination to oppose the National Convention that is attempting to prolong the power in the hands of military dictatorship. Also the ABSDF would like to urge the Burmese people to oppose the national Convention without partiipation of the majority of the people-elected representatives during the 1990 election.

Until and unless the SLORC ignores the call for dialogue, we would like to urge the people to show te support for Daw Aung San Suu Kyi and her struggle for the democracy and national reconciliation by doing non-cooperation in the Slorcs national Convention process.

Also we would like to ask the representatives of the political party and other representatives of the different groups from the National Convention to boycott the on-going Convention with the respect to the will of people and their own reputation.

For the international community, the ABSDF would like to call on the international pressure to implement the 1994 United Nations General Assembly's resolution urging SLORC to respect the result of 199 May election.

Also we would like to request the foreign investment companies and donor countries to Burma not to deal any investment with SLORC and not to give any assistance until and unless SLORC is moving towards democratization and national reconciliation.

The ABSDF have the sympathy and understanding that Slorc might take some action against their dissidents but we have to take risk with sacrifice to achieve freedom from the oppression. We would also like to urge that success can be achieved with unity. ABSDF Central Committee ABSDF (DAWN GWIN) 29 November 1995.

KNU Issues Statement on National Convention

BK3011022295 (Internet) BurmaNet News in English 28 Nov 95

[FBIS Transcribed Text] Subject: KNU Statement Regarding National Convention

The statement of Karen National Union (KNU) regarding SLORC's [State Law and Order Restoration Council] National Convention to be resumed on November 28, 1995. 1. The Karen National Union had declared several times that SLORC's National Convention is not genuine, and that, through this convention, the country's basic political problems can never be resolved. And now, KNU shall also continue to stand firmly on this attitude. 2. During the procrastinating period for nearly three years, in convening this convention that has no one support, many delegates were put into custody and some delegates had abandoned this convention for lost of confidence in it and came to the revolutionary area. By just looking at the aims and objects, rules and regulations and the basic principles that were laid down in this convention, it could be clearly seen that it obfuscated SLORC's own order 1/90 and the promises made by the leaders of SLORC. 3. On November 22, 1995, the leader of the National League for democracy, Daw Aung San Suu Kyi had openly declared that SLORC's National convention is not a just one. This declaration is firm and concrete. Any party or organization, who knows its responsibility and has guts to take responsible of the country, ethnic nationalities and the people, must obviously and openly take up this stand. 4. SLORC has heralded every day for the national reconciliation. If SLORC, actually wants to do this, he must immediately abolish this convention and paves the way for a genuine National Convention, a nation wide cease-fire must be declared, all unjust law and orders must be relinquished and must immediately begin a "Tripartite dialogue" that includes the respective representatives of SLORC, democratic forces led by Daw Aung San Suu Kyi and ethnic nationalities. 5. The present actions of SLORC, would not reveal its intention to resolve the country's basic political problems through peaceful means. Therefore it is necessary for SLORC to make a further step for constructive path. At the same time, every organization, that can take responsible and has guts to do so for the country ethnic nationalities and the people, must also resolutely endeavor to step further, constructively. This shall be the only way which can be least painful to the country. There shall be no alternative.

86 NLD Delegates Expelled From Convention

BK3011143495 Rangoon Radio Myanmar in Burmese 1330 GMT 30 Nov 95

[FBIS Translated Text] News relating to the National Convention has been received today.

The number of National Convention delegates eligible to attend the National Convention, which has been reconvened since 28 November 1995, is 677. In accord with the National Convention Procedures Section-5, on the duties and rights of the national convention delegates, delegates are required to attend the convention regularly. If the delegates are unable to attend, prior permission for their absence must be obtained from the Panel of Chairmen. However, five delegates from the National League for Democracy [NLD] party from the political parties delegates group and another 81 delegates from the NLD from the elected representatives delegates group were absent from the National Convention sessions held on 29 and 30 November for two consecutive days, without approval from the Panel of Chairmen.

Therefore, in compliance with the presentation of the Panel of Chairmen and in accord with Sections 48 and 49 of the National Convention Procedures, the National Convention Convening Work Committee has revoked the mandates of the 86 delegates who were absent without leave.

Delegates Discuss Basic Legislature Principles

BK3011085095 Rangoon Radio Myanmar in Burmese 0630 GMT 30 Nov 95

[FBIS Translated Text] The plenary session of the National Convention was held today at 0900 at the Central Conference Hall in the President's Residence Compound on Ahlone Road in Yangon [Rangoon].

It was attended by Lieutenant General Maung Thint and Brigadier General Myo Thant, vice chairmen of the National Convention Convening Commission [NCCC] and commission members; U Aung Toe, chairman of the National Convention Convening Work Committee [NCCWC]; U Tha Tun, vice chairman, and work committee members; Brig. Gen. Tin Aye, chairman of the National Convention Convening Management Committee, and committee members; National Convention delegates; and local and foreign journalists.

U Hla Myint from the delegates group representing technocrats and intelligentsia acted as alternate chairman and Dr. Thaung Myint, member of the NCCWC, U Lei Kwe Chin from the Shan State Kokang Democratic Party, U Maung Gyi from the Union Pa-O National Organization, U Kyi Nyunt from the group representing national races, U Tin Maung Kyaw from the group representing peasants, U Bo Myint from the group representing workers, U Ant Maung from the group representing civil service personnel, and U Ko from the special invitees group acted as members of the Panel of Chairmen. U Ko Ko Gyi, director of planning from the Office of the NCCWC, acted as secretary for the meeting.

First, the secretary of the meeting declared the plenary session open and valid since 540 out of the 591 delegates were in attendance.

In accord with the agenda, proposal reports on prescribing detailed basic principles for the legislature to be included in the state constitution were then presented by U Soe Win from the civil service personnel delegate group. The meeting briefly adjourned at 0945. When the session resumed at 1010 Daw Myint Than and U Ba Hla Gyi from the special invitees delegates group presented reports on the basic principles for the legislature. The meeting recessed at 1120.

The plenary session is in progress at the Central Meeting Hall.

Suu Kyi Urges ASEAN To Review Burma Policy

BK3011022895 Melbourne Radio Australia in English 0100 GMT 30 Nov 95

[FBIS Transcribed Text] Burma's opposition leader has called on leaders of the Association of Southeast Asian Nations [ASEAN] to review constructive engagement with the country's military regime.

Evan Williams reports from Rangoon Aung San Suu Kyi's comments precede an ASEAN meeting in Bangkok next month.

[Begin recording] [Williams] Suu Kyi's comments will sit uncomfortably with Burma's Southeast Asian neighbors in a run-up to next month's ASEAN leaders summit in Bangkok. She urges ASEAN not to ignore the internal conditions of countries as they can affect the whole region. Suu Kyi said ASEAN's constructive engagement policy was meant to be constructive in the direction of democracy.

[Aung San Suu Kyi] So we would like the ASEAN to study the situation and see whether there is in fact any progress toward democratization.

[Williams] She urges foreign investors to wait and criticizes Japan for opening aid and trade benefits too quickly. There is more happening economically than ever before, but she says it is not reaching most of the people who suffer from high inflation on basic goods. [end recording]

Students Organize Rangoon University Jubilee

BK0112074795 (Internet) BurmaNet News in English 29 Nov 95

["November 29, 1995 Alert on the Students Activities Inside Burma" from the ABSDF [All Burma Students Democratic Front], Dawn Gwin]

[FBIS Transcribed Text] After the Daw Sung San Suu Kyi and her party NLD's [National League for Democracy] statement on 22 November 1995 concerning the National Convention, students and youth inside Burma have launched their activities in public.

Last three weeks ago, at St. Mary high school in downtown Rangoon, a young boy student painted a slogan across the school saying military dictatorship get out.

On 24th November, a statement was issued by a group of 23 veteran politicians called Dead Tiger. Some of them who signed the statement are: Bo Hmu Aung, Thakin Chit, Khin Aung (Burma Communist Party), U Chit Maung and Thakin Lwin (ex-defense minister of Aung San). They asked the SLORC [State Law and Order Restoration Council] to move towards the national reconciliation and have dialogue with the democratic forces.

On 28th November, at 10:00 am (the same time National Convention started) at Wayluwon monastery nearby University Avenue in Rangoon, a gathering of around 60 people came to celebrate the Golden [as received — correct adjective should be Diamond] Jubilee of Rangoon University. Those represented were from the NLD, High School student Union, and the University Students Union. The ceremony started with the arrival of the Sayadaw who prayed with the congregation. Then, four students came to the front and started a ceremony. Statements from New Generation of the Students Union, and Democratic Association of Youth and Students (DAYS) were given out to the crowd. Then they awarded Aung San as a historic honorable university student award. Min Zeya (chairman of All Burma Federation of Student Union, ABFSU, and released from his time in the prison) and Maung Maung Wan (also a leader of student union and was in prison since 1988 and released last year) were the organizers of this ceremony. (the names should be withheld)

Students are planning to have a special activities during the 1- 5th December in Rangoon marking the Golden Jubilee of Rangoon University (the same celebration will be organized by the SLORC). So far there is no arrest except the three NLD Youth in front of the Daw Aung San Suu Kyi's house.

Army To 'Annihilate' Anyone Undermining Stability

LD3011094595 Melbourne Radio Australia in English 0900 GMT 30 Nov 95

[FBIS Transcribed Text] Burma's military leaders have warned that they will annihilate anyone trying to disrupt the country's stability. Evan Williams reports from Rangoon that the comments reinforce the military's hardline refusal to open talks with the opposition leader, Aung San Suu Kyi, whose National League for Democracy has withdrawn from talks on a new constitution.

[Williams] Army Chief of Staff Lieutenant General Tin Oo said those who do not want to see Burma prosper are resorting to disturbances and false accusations to belittle the country. In pointed reference to the opposition's public criticism of military government, he says the army will never represent just one person and warns it will resolutely take action against and annihilate those who mar or disturb national interests.

Another senior general told delegates writing the constitution [that] Suu Kyi's comments since her release reveal a premeditated plan to mar that convention, but the convention will continue, he says, putting pressure back on the opposition. Just because one group turns its back is no reason to abandon our program or objectives, he says.

Paper Urges Action To 'Annihilate' Subversives

BK0112051895 Rangoon Radio Myanmar in Burmese 0130 GMT 1 Dec 95

[KYEMON editorial of 1 December entitled "On the Correct Path Toward Emergence of a New Nation, Representing the Entire Nation," from the "Press Review" program]

[FBIS Translated Text] The state is currently marching toward a goal — the emergence of a new peaceful, modern, and developed state. There are positive conditions and a basis emerging along the path to this goal, in accordance with the 12 set political, economic, and social objectives.

The coordination meeting of the 51st Armed Forces Day Steering Committee was held on 25 November in the Conference Hall of the Defense Ministry to prepare for the grand celebration of the 51st Armed Forces Day on 27 March. Addressing the meeting on actions underming the national interests, Lieutenant General Tin U, the committee chairman and chief of staff, Army, said the Defense Services will never represent just an individual, a party, or an organization, but the entire nation. It will resolutely take action against and annihilate those who mar or undermine national interests.

Currently, the Defense Services is marching straight along the correct path of building a new nation and the current developments clearly illustrate its genuine goodwill. Under these circumstances, subversive activities will not be able to mar and undermine the undertaking of the Defense Services. Any attempt to mar and undermine the effort will be resolutely annihilated in the interest of the nation and entire people, and the Defense Services will march along the correct path until the goal of a modern nation is achieved.

Brunei, Malaysia & Singapore

Malaysia

Mahathir Views NATO Peace Force in Bosnia

BK0112074695 Kuala Lumpur THE STAR in English 30 Nov 95

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Kota Kinabalu — Malaysia is prepared to be part of the NATO peace force to be deployed in Bosnia-Herzegovina if invited.

Prime Minister Datuk Sri Dr Mahathir Mohamed said Malaysia was ready to work with any party as long as the troops were used to enforce the peace.

Dr Mahathir was speaking at a press conference here before leaving for Kuala Lumpur after completing a three-day official visit here.

In Kuala Lumpur, Deputy Defence Minister Datuk Dr Abdullah Fadzil Che Wan said both the United Nations and NATO were aware of Malaysia's view on Bosnia.

"That is we intend to ensure peace prevail there," he said after meeting Royal Jordanian Special Forces commander Prince 'Abdallah al-Husayn at the Ministry of Defence.

On bilateral military co-operation with Jordan, Dr Abdullah said Malaysia would send its officers to Jordan to train as peacekeepers.

"Prince 'Abdallah is keen to improve military relations between Jordan and Malaysia." 'Abdallah, 33, is the eldest son of King Husayn. He was trained as a pilot in the United States and Britain.

Mahathir Launches Regional-Based Saeaga Airlines

BK0112112695 Kuala Lumpur NEW STRAITS TIMES in English 30 Nov 95 p 2

[Report by Joniston Bangkuai]

[FBIS Transcribed Text] Kota Kinabalu Wed. — Datuk Sri Dr. Mahathir Mohamed said today he expected businesses in the East Asean Growth Area (EAGA) to pick up at greater speed with the inception of Saeaga Airlines.

The Prime Minister said the new air services would make travelling within the EAGA, covering Sabah and Sarawak in Malaysia, Kalimantan in Indonesia, Southern Philippines and Brunei, a lot easier.

Besides speeding up economic development, he said, the introduction of the airline would boost the tourism trade within EAGA.

The establishment of the airline, he said, was also proof of the close co-operation between Malaysia, Indonesia, Brunei and the Philippines to jointly develop the EAGA.

Dr. Mahathir said Saeaga Airlines was the result of a concept of regional co-operation mooted by Philippine President Fidel Ramos.

He said Ramos viewed that there would be better results if the four neighbouring countries worked together to help develop aviation services rather than operating on their own.

Since the idea was mooted, Dr. Mahathir said, there has been several meetings among various Ministers of the four countries and all agreed that there should be a follow-up on the proposal.

"The Governments of the four countries have responded very well and now see concrete results of the co-operation," he said at the launching of the airline at the Kota Kinabalu Airport old terminal building here.

"I feel that given time there will be a lot of travellers using the routes proposed by the airline.

"We will see this area grow as rapidly as the rest of South East Asia and the rest of East Asia," he added.

The regional-based Seaga Airlines is a joint venture between the Sabah and Sarawak Governments and Ekran Sdn Bhd [company limited].

He said co-operation from the countries within the EAGA was vital to ensure the success of the venture.

Describing the launching the airline as momentous for Sabah and Sarawak, Dr. Mahathir pledged the Federal Government's full co- operation to ensure its success.

Stressing that both Kota Kinabalu and Kuching needed direct flights to the various destinations within the EAGA, he said with the inception of the airline it would be easier for the people in the region to travel between Kuching and Kota Kinabalu and also those destinations in the neighbouring countries.

Saeaga Airlines has purchased one Canadair Regional Jet and two de Havilland Dash 8 aircraft from Bombadier Regional Aircraft Division for its initial operation.

When operational next year, Saeaga's aircraft will represent the first Canadair Regional Jet service in the Asia-Pacific Region.

Chile Opens Investment Opportunities for Business

BK0112074895 Kuala Lumpur NEW STRAITS TIMES in English 23 Nov 95 p 23

[Report by G. Danapal]

[FBIS Transcribed Text] Chile has opened investment opportunities for Malaysian businessmen in projects worth about U.S.$4 billion (RM [Malaysian ringgit] 10.2 billion) in the next four years.

Chile's Ministry of Economy Alvaro Garcia said his government had identified the projects, which include the development of infrastructure such as road, railroads and ports.

Speaking after meeting Deputy Prime Minister Datuk Sri Anwar Ibrahim at his office yesterday, Garcia said:

"The other area is manufacturing... Chile has signed free trade agreements with almost all Latin American countries. So whoever wants to trade with Chile should not only think of our market but also our neighbours' market, which has some 360 million people."

Chile, he added, had experience in the manufacturing sector and there was a very good possibility of distributing its production of natural resources from Malaysia to other countries, using Chile's free trading areas.

"These are the matters that are being discussed by Chilean businessmen," he said.

Garcia said the Chilean economy was not only growing rapidly but was also stable, like Malaysia.

He said Chile would be a good trading partner because of its network of free trade agreements that offer anyone investing in Chile not only the local market but also the regional one.

Garcia said since Prime Minister Datuk Sri Dr. Mahathir Mohamed's visit to Chile, there had been a tremendous improvement in the trade imbalance.

"The trade between the two countries has grown 16-fold," he said, adding that Chile expected bilateral trade to grow to 40 per cent this year.

"The trade is dynamic... There is ample room for growth."

He said the 60 Chilean businessmen in the delegation had met their Malaysian counterparts to discuss, among other topics, scope for joint ventures in both countries.

"We have identified the trading opportunities... and investments between the two countries."

Chile's exports to Malaysia largely comprise copper, fisheries products and fruits, while Malaysian exports are mostly manufactured goods, including the national car Proton, which was being well- received in Chile.

"We should now aim to promote trade and investment between Chilean and Malaysian firms to supply to the rapidly-growing Latin American market and America."

"We think Chile can be an important gateway for Malaysian exports to America and we expect Malaysia can play a similar role for our exports to this region."

He said Chile also wanted to play a bigger role in the Asia- Pacific Economic Cooperation forum.

Singapore

Editorial on Pros, Cons of Bosnian Peace Accord

BK0112115595 Singapore BUSINESS TIMES in English 1 Dec 95 p 1

[Editorial: "Bosnia at Peace — For the Moment"]

[FBIS Transcribed Text] It is good that General Colin Powell, the popular former chairman of the US Joint Chiefs of Staff, has expressed support for President Bill Clinton's plan to send 20,000 American troops, as part of a Nato force of 60,000, to separate the factions in the civil war in the former Yugoslavia. Without the United States, the Dayton accord to end the war would not have materialised. And without a US troop commitment, the incipient Nato force will never come together.

Certainly, the Dayton deal has its critics. It has been described as a paper agreement and, even, Alice-in-Wonderland fantasy. Bosnia and Herzegovina will not survive as a unitary state with two parts. Most European diplomats expect that eventually the Bosnian Serb republic will join up with Serbia itself and the Muslim-Croat federation will be absorbed into Croatia. Also the provision that Sarajevo remain united, with Serbs exercising authority only over schools and other local services, has not gone down well. Sarajevo Serbs have mounted daily demonstrations to show that they do not want their neighbourhoods reverting to the control of the Muslim-led government. Their leader, Radovan Karadzic, is now trying to capitalise on this mood with a warning that the status of the city had created a "Beirut in Europe" and that it was going to bleed for decades.

He is, without doubt, playing on the fears of US voters who have a notoriously low threshold of pain when it comes to casualties. He hopes they will put enough pressure on Congress to vote to keep US troops out by prohibiting the use of any money to pay for their deployment. That is why support from a man with the military stature of Gen. Powell, who had previously opposed the use of American forces in the conflict, will be important to Mr. Clinton as he tries to persuade a reluctant Congress to go along with him.

Current plans for the US mission are based on the understanding that it will last 12 months and cost US$1.5 billion (S [Singapore] $2.12 billion). It is also hoped that Nato objectives would be limited to maintaining the existing ceasefire, physically separating the warring parties and overseeing the division of territory agreed to by Balkan leaders.

While US officials seem confident that a year would be enough to break the cycle of violence, it would be a mistake to overestimate what can be accomplished in that time. At the moment, the people on all sides are sick of the war. Indeed, that was the only reason their leaders were willing to come to terms. The warring sides had fought themselves to a standstill and each one knew they would never get a better chance at peace if they did not seize the moment in Dayton.

But that is not to say that peace is going to be permanent or that the underlying reasons that triggered off the fighting in the first place have been dealt with effectively. Indeed, it might well be asked if it is even possible for anyone outside of the Balkans to sort out the problems. The grievances of the different communities seem to defy reason. Over the long run, perhaps the best that the world can do might be to provide arms and military training to the weaker sides so that there is a stable balance of power. After all, a strategy of mutually assured destruction has been the one proven way to keep the peace.

Accession to 3 Human Rights Conventions Announced

BK0112020195 Singapore Radio Corporation of Singapore in English 1000 GMT 30 Nov 95

[FBIS Transcribed Text] The Foreign Ministry says Singapore has acceded to three international human rights conventions. They are: A convention on the prevention and punishment of the crime of genocide, which aims to prevent an occurrence of the atrocities committed during World War II by making genocide an international crime; the convention on the rights of a child, which protects the interests of the child within the context of family and society; and the convention on the elimination of all forms of discrimination against women.

Cambodia

Khmer Rouge 'Communique' on SRV Border Stance

BK0112100995 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 30 Nov 95

["Communique" issued by the spokesman of the Provisional Government of National Union and National Salvation of Cambodia on 30 November; place not given]

[FBIS Translated Text] I. A few days ago, Hun Sen, the out-and- out communist Vietnamese lackey, ordered his puppet Ing Huot to shout in a deceitful manner that Cambodia never had a well-defined border with Vietnam and that the present border should be left intact.

II. This language unambiguously shows the true nature of the clique of the nation-betraying two heads and out-and-out communist Vietnamese lackeys, who serve the communist Vietnamese policy and strategy in the basest manner and allow communist Vietnam to wolf down and swallow Cambodia, exterminate the Cambodian nation and race, and incorporate present-day Cambodia into Vietnam by turning it into a second Kampuchea Kraom [ancient Cambodian territory now part of Vietnam].

The two heads' statement that Cambodia never had a well-defined border with Vietnam is tantamount to abolishing the country's territorial integrity and border by completely and totally including them within communist Vietnam's Indochinese Federation framework. As for the statement that the present border should be left untouched, it is designed to allow communist Vietnam to nip at hundreds of thousands of square kilometers of Cambodia's territory along the eastern border from the Dragon's Tail in Ratanakiri to Takeo and Kampot Provinces, our seas, and islands. Moreover, the statement that people should stay put is aimed at allowing the over 4 million ethnic Vietnamese in Cambodia to wolf down and swallow Cambodian territory and rob and occupy the Cambodian nation and people's land, rice fields, orchards, rivers, forests, and natural resources in a wholesale manner.

The above statements by the traitorous two heads are nothing new. They take their origin from the Communist Party of Vietnam's strategic policy of annexing and swallowing Cambodian territory. The Vietnamese have implemented this policy in a well-planned and systematic manner for a long time; over the past 17 years in particular.

Both the one-eyed Hun Sen and the ghoulish Ranariddh have uttered the same words at communist Vietnam's behest. The border commission that has Hun Sen, Ranariddh, and Ing Huot as members went to negotiate in Hanoi with the sole aim of rubber stamping communist Vietnam's occupation of Cambodia.

III. The Provisional Government of National Union and National Salvation [PGNUNS], representing the Cambodian nation and people, wishes to repeat officially and solemnly the declaration it has issued on numerous occasions:

1. Communist Vietnam must respect Cambodia's sovereignty and territorial integrity in conformity with the 1:100,000 scale map that SRV Prime Minister Pham Van Dong and Nguyen Huu Tho, chairman of the National Liberation Front of South Vietnam, officially and solemnly recognized in 1967.

2. The PGNUNS absolutely rejects and considers null and void all agreements and treaties arranged by communist Vietnam for its puppet administration to sign from 1979 to this day and in the future.

3. The ethnic Vietnamese, the aggressor forces annexing Cambodia and exterminating the Cambodian race, must be sent back to Vietnam.

30 November 1995

The PGNUNS spokesman

Khmer Rouge Official Views Sirivut's Arrest

BK0112103295 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 30 Nov 95

[Interview with Khieu Samphan, prime minister and minister of the Provisional Government of National Union and National Salvation of Cambodia, by an unidentified correspondent on 30 November; place not given — recorded]

[FBIS Translated Text] [Correspondent] Greetings, Your Excellency the prime minister. How has the situation with the two heads developed following the arrest of Prince Sirivut? What is your opinion?

[Khieu] The two heads have plunged even more speedily and deeply into crisis; all kinds of serious crises — military, political, economic, financial, and social. They are heading toward total collapse. Nothing can salvage them.

[Correspondent] What is the cause?

[Khieu] Militarily, the two heads are collapsing with each passing season, to the point that they are now totally losing their mastery and initiative and are totally on the defensive; totally under attack. What is the cause? At the same time, the guerrilla warfare of the people's war is expanding even more profoundly throughout the country. What is the cause?

It is because the people and peasants — especially the poor people and peasants, who have suffered the most due to the communist Vietnamese war of aggression over the past 17 years and due to the fact that the alliance has joined hands with the communist Vietnamese to continue kindling the flames of war — having nurtured greater and deeper hatred, have joined hands even more actively with the national salvation forces in the struggle to free themselves and their villages, farmland, forests, rivers, ponds, and streams that used to be the source of income to feed themselves, liberate their nation, and defend the survival of their race.

In the cities — their lairs — the two heads have also plunged into grave crises. They have suffered from all kinds of serious crises. This is because the Cambodian nation and people from all social strata — from the bottom to the upper strata, both inside and outside the country — have nurtured great hatred against the traitorous two heads, the lackeys of the communist Vietnamese and the alliance. This hatred has become even more acute to the point that the people have struggled against them even more vigorously. In particular, they oppose and fight against Hun Sen, the hooligan chieftain and cat's paw of the aggressor communist Vietnamese.

The two heads have arrested and jailed students at will. They have assassinated journalists, lobbed grenades into newspaper offices, and sent Vietnamese sappers to ransack newspaper offices at will. They assassinated an MP from His Excellency [H.E.] Son Sann's party in the middle of the city. They lobbed grenades at H.E. Son Sann's party just because the party held a routine congress. They have threatened H.E. Sam Rangsi's new party. They have even threatened to take H.E. Sam Rangsi's life. They have attacked and manhandled traders in market places, destroyed their stalls, and jailed them at will. The people's anger is so acute that it waits only for the day it will burst out.

Now they have arrested Prince Sirivut in a wicked and fascist manner. Under what law? Under what constitution? Where is the Kingdom of Cambodia? Where are the democratic rights and freedoms? They were only skin deep, and now they no longer exist.

[Correspondent] How has Ranariddh reacted?

[Khieu] Ranariddh has become stupefied like a monkey, just rolling his eyes in bewilderment at having been trapped by the Vietnamese ploy to let Hun Sen (?take the lead). As the national and racial hatred has become even more profound and acute, Hun Sen can no longer hide behind Ranariddh's back. He has been compelled to show all of his communist Vietnamese black teeth. Our nation and people have thus revealed the real skin of the aggressor communist Vietnamese and their puppet lackeys.

[Correspondent] Thank you, Your Excellency. What is the international reaction?

[Khieu] The world sees this as another defeat for the alliance in Cambodia. UNTAC [UN Transitional Authority in Cambodia], the United States, and the other allies have joined hands with the communist Vietnamese to destroy the Paris Agreements [words indistinct] continue kindling the aggressor communist Vietnamese war to kill the Cambodian nation and people. This policy — this strategy — is wrong. This is why it has led them to such defeat.

The two heads now have only one head left; that is, the head of the communist Vietnamese and their lackeys with Hun Sen as the ringleader. Therefore, the international community in general, especially the American people and Congress, have opposed this policy and strategy even more vigorously. In particular, they have demanded the suspension of aid to (?Cambodia).

[Correspondent] What do the United States and the other allies think?

[Khieu] If the United States and the other allies continue to support the communist Vietnamese and depend upon those who are rotten and who have totally lost the political backing of the Cambodian nation and people, they will certainly suffer another shameful defeat in Cambodia. The movements of our nation and people are joining into a single movement. Our people in the countryside, cities, and abroad — from the lower and upper levels — are heading toward a single goal; that is, to end the war of the communist Vietnamese aggressors; topple the puppet regime of communist Vietnam; and set up a national regime in which all national forces can participate in running a Cambodia that is independent, sovereign, unified, peaceful, and neutral with its territorial integrity intact. This does not include the five top traitors; namely, Hun Sen, Chea Sim, Sar Kheng, Heng Samrim, and Tie Banh. The situation is developing toward this trend. No force can resist it.

[Correspondent] Thank you, Your Excellency.

Association Probes Story on Assassination Plot

BK0112144495 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 1 Dec 95 pp 1, 11

[Report by Srei Neat]

[FBIS Translated Text] A news conference planned by So Naro, editor in chief of the ANGKOR THMEI newspaper, secretary general of the Khmer Journalists Association [KJA], and a witness in the plot to assassinate Samdech Hun Sen, was postponed twice on the afternoon of 28 November and the morning of 29 November.

Somehow, So Naro issued a one-page statement in English on 29 November giving an account of his meeting with Prince Kromkhun Norodom Sirivut and his 7 November report, and confirming what the prince kromkhun had said.

KJA Chairman Pin Samkhon, who announced the postponement of the news conference, said he did not know the motive for So Naro's change of mind. He added, however, that he believes "So Naro must have some new reason that motivated him to change his mind." Pin Samkhon stressed that there was no pressure from the KJA but he did know about pressure from other sources.

Speaking to REAKSMEI KAMPUCHEA by phone on the afternoon of 29 November, So Naro said the main reason was that he did not want to be in the spotlight. It could be asked, however, why he planned to hold the news conference that was twice declared postponed by Pin Samkhon if he did not want to be in the spotlight.

Although Pin Samkhon tried to tell reporters that the KJA did not interfere in So Naro's move, some believe that the association is in trouble.

It is known that the KJA Ethics Council held a meeting yesterday (28 November) to look at So Naro's article with a view to determining the KJA's stance on the issue. So Naro was not allowed to take part in the meeting on the grounds that he is personally involved in the issue. The KJA informed So Naro that there would be another KJA Ethics Council meeting at which he would be able to offer an explanation. So Naro said, however, that the KJA Ethics Council meeting had not taken place.

In his statement, So Naro spoke of a private meeting with Prince Kromkhun Norodom Sirivut at which the latter talked about an important matter that he, as a reporter, decided to publish. The KJA Ethics Council will look at So Naro's statement again next week.

So Naro said that his ANGKOR THMEI newspaper would resume publication but that he needed to wait until the matter was completely settled.

Ranariddh Assures 'Unswerving' Support for King

BK0112143995 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 1 Dec 95 pp 1, 2

[Report by Dararit]

[FBIS Translated Excerpt] Prince Krompreah Norodom Ranariddh, first prime minister of the Kingdom of Cambodia, has said there are many pleasant approaches for a future Kingdom of Cambodia, but the first and most reliable one is for all of us to trust His Majesty Norodom Sihanouk Varaman, our revered king. The prince expressed his unswerving and steadfast support for his majesty in his highest standing as the revered king and head of state of Cambodia.

Prince Krompreah Norodom Ranariddh said this at the opening of an international conference on "Equilibrium and Perspectives in the Study of Cambodian Culture" held to mark the 200th anniversary of the "French National Institute of Oriental Language and Civilization" at the Cambodiana Hotel on the morning of 29 November.

The statement again shows the staunch support of the prince and the entire Royal Government for the lofty leadership of his majesty the revered king in the wake of political events relating to Prince Kromkhun Norodom Sirivut's detention on charges of plotting to assassinate Second Prime Minister Samdech Hun Sen. The event has confused Cambodian leaders and affected the prestige of His Majesty King Norodom Sihanouk.

Prince Krompreah Norodom Ranariddh made this statement after the king, in THE CAMBODIA DAILY's 27 November issue, declared: "I am ready at any time and without condition to abdicate and hand over the throne to a prince who is more competent than I to solve the problems of the current Cambodian regime in an agreeable fashion."

Prince Krompreah Norodom Ranariddh went on to say that Cambodia is very fortunate to have a great king who has saved the country and the people from darkness. The king has earnestly led us on a path that allows the entire people to live happily under his cool shade after more than 20 years of being lost. Therefore, there is no better approach than to support the leadership of His Majesty King Norodom Sihanouk.

Prince Krompreah Norodom Ranariddh added: The Royal Government's second approach is to do whatever it can to enable the people to help themselves. The Sangkum Reas Niyum era's fine slogan "Cambodia Helps Itself" has been reborn and is in vogue in this modern epoch. This wonderful saying has an overwhelming impact on the implementation of measures to develop our homeland and improve our people's livelihood.

The third approach is that our institutions should be reorganized and made effective. The institutions have a duty to protect men, women, and children and ensure national independence and national development. [passage omitted]

Indonesia

Suharto Backs MNLF Struggle for Autonomy

BK2911043295 Jakarta KOMPAS in Indonesian 29 Nov 95 p 7

[FBIS Translated Excerpt] Jakarta, KOMPAS — President Suharto supports the struggle of the Moro National Liberation Front [MNLF] for autonomy in the southern Philippines, Amien Rais, general chairman of Muhammadiyah [a Muslim sociocultural and educational group] said after meeting the head of state on Tuesday (28 November).

"Indonesia will certainly not support the Moros if they fight to establish a state of their own," Amien quoted President Suharto as saying.

"Nevertheless, if they want autonomy to improve their socioeconomic conditions, we will certainly help them in the process," Amien said further, as quoted by REUTERS.

MNLF leader Nur Misuari, who is attending 27 November-1 December talks in Jakarta, thanked President Suharto for the support.

"We are very grateful to President Suharto for renewing the support of the government and people of Indonesia for us," Misuari said in reaction to the head of state's support.

"I think it is very clear that MNLF is fighting for autonomy. Earlier, we fought for independence. We decided to dump the option and fight for autonomy because of the attention the Organization of Islamic Conference gave to us," Misuari added. About 50 MNLF members are included in talks with the Philippine delegation.

Meanwhile, Philippine Government chief delegate Manuel T. Yan justified President Suharto's remarks. "It is correct," he said briefly. He added the Tripoli Agreement should be implemented and an autonomous government should be set up. [passage omitted]

Manila, MNLF Urged To Exercise Tolerance

BK0112103995 Jakarta THE JAKARTA POST in English 28 Nov 95 p 4

[Editorial: "Is There A New Horizon?"]

[FBIS Transcribed Text] The 20-year sectarian conflict in the southern Philippines may finally come to an end if the Manila and Moro delegates now meeting in Jakarta are as sincere and determined as they say. There are so many reasons to be optimistic that the war for a separate state and eventual autonomy for the Moro, which has claimed more than 50,000 lives, will end after a final and comprehensive solution is found.

The two sides, with Indonesia acting as host repeatedly, have resolved 80 percent to 90 percent of the problem, and by virtue of far-sightedness and wisdom, they should arrive at the designated destination: peace.

But, if the talks fail, the government in Manila and the southern people led by the Moro National Liberation Front (MNLF) can be expected to wage a new war of attrition, leaving behind the dream of a stable Philippines amid the fast changing scene of the Asia-Pacific area. If the talks run aground, many moderate followers of the MNLF will surely retreat into the jungle to wage more guerrilla warfare. Such a failure would also convince the Abu Sayaf, the Islamic Command Council, radical groups and other militants among the Moro that their hard-line policy is justified and should continue.

With stability and peace in the south, much could be done to develop the country's economy. The area has a good future and the government has made a plan to rebuild it. And because the MNLF's leader Misuari, is very much convinced of Manila's sincerity, he is pretty sure to be able to make the radical Moro groups finally accept the peace agreement.

But two problems remaining between the government and the MNLF are crucial. The establishment of an autonomous region and the allocation of revenues to the region are very sensitive and complicated. The MNLF is seeking to expand Moslem autonomy from four provinces on the southern island of Mindanao to 13 provinces and nine cities on the main island and nearby smaller ones.

The peace talks are based on the Libyan-brokered agreement signed in Tripoli by Philippine government delegates and Misuari in 1976. This pact provides for Moro autonomy in the southern Philippines. But the structure and mechanism for implementing and enforcing autonomy are not easy to work out.

President Fidel Ramos has said that autonomy would be decided by a plebiscite because his government respects the basic rights and the local people should be consulted. But the MNLF is against this method because it expects the vote to follow sectarian lines, thus leading to their final defeat due to the fact the south is now dominated by the 75-percent non-Moro majority.

Based on the above-mentioned contrast between calamity and a new horizon, both parties should try very hard to make the current meeting a success.

A solution to this problem can only be reached by the willingness to compromise on each party's demands and the demonstration of great tolerance. But judging by Philippine government officials' statements, they seem to be hoping for more sacrifice on the part of the MNLF.

Sacrifice should come from both sides and any peace pact should leave the people in the south feeling that not only do they have self rule, but that justice has been done.

'Substantial Progress' in Manila-MNLF Talks

BK3011053595 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 30 Nov 95

[FBIS Translated Text] There has been substantial progress in talks on granting autonomy to the Moros. Several basic economic principles that cover, among others, the financing of an autonomous administration and the form and mechanism of sharing revenue from the Moro region were endorsed on the third day of the Jakarta talks.

Professor Nur Misuari, chairman of the Moro National Liberation Front [MNLF], told reporters on the sidelines of the talks that he was pleased with the substantial progress. Nevertheless, the details of the basic principles will have to be discussed further before the talks end on Friday.

According to Nur Misuari, MNLF has endorsed a plan to integrate MNLF into the Armed Forces of the Philippines, but the matter will have to be discussed further.

Meanwhile, Philippine Government representative Manuel T. Yan said the Philippine Government agreed with the integration of MNLF forces into the Armed Forces of the Philippines. There must be, however, discussions on who will qualify for the integration.

Ali Alatas Comments on Philippine Peace Talks

BK0112092395 Jakarta KOMPAS in Indonesian 1 Dec 95

[Unattributed report — received via Internet]

[FBIS Translated Text] Jakarta, KOMPAS — The meeting between the Moro National Liberation Front (MNLF) and the Philippine Government regarding Moro autonomy had not produced any achievements as of Thursday (30 November) despite four days of talks. An interim agreement that excludes sensitive issues was scheduled to be signed on Friday.

Foreign Minister Ali Alatas met with Indonesian Ambassador to France Wiryono Sastrohandoyo during the meeting on Thursday afternoon. Commenting, Alatas said: "There was some progress regarding substantial issues. According to the latest reports, however, discussions regarding the implementation mechanism are still ongoing." The third formal round of talks on the Moro issue commenced on Monday.

Continuing, the foreign minister said: "At the opening of the talks, I indicated their duration. A fourth round of talks may be needed." Manuel Yan, leader of the Philippine delegation, also anticipated the possibility of a fourth round of talks.

Alatas also explained that an interim agreement would be signed on Friday, but did not elaborate on the interim agreement. He admitted, however, that the issue of integrating MNLF troops into the Armed Forces of the Philippine has yet to settled.

According to Wiryono, the meeting and peace talks on the issue just between the leaders will end on Thursday. They have only solved the issues of education, the economy, sharia law (Islamic laws), and representation in the national government.

On the issue of the integration of the MNLF guerrillas, Wiryono said the Philippine Armed Forces should be able to accept the MNLF in principle because agreements have previously been reached in stages by the two sides. Wiryono said: "As of today (Thursday), the two sides are continuing their discussions concerning the strength of the guerrillas and the number that can be absorbed into the Philippine Armed Forces. In addition, he said a number of issues have already been agreed upon.

MNLF leader Nur Misuari, who is always seen wearing dark glasses, disclosed on Wednesday that the MNLF has approximately 30,000 guerrillas. According to him, however, the Philippines claims that the number is only between 17,000 and 18,000.

An agreement reached in Davao on 23 June stated that the MNLF would be gradually affiliated with the Philippine Armed Forces in groups. These would ultimately be integrated into the government forces.

He also said the MNLF's affiliated strength should be proportional.

The Question of Autonomy [subhead]

According to Wiryono, the question of autonomy is divided into two parts; namely, the structure of the autonomous government and the mechanism for the establishment of an autonomous government. Explaining further, Wiryono said: "The structure is done, but discussions are still in progress regarding the mechanism." Manuel Yan confirmed that no decisions have been reached regarding an interim government.

According to a previous document, the interim government will be headed by a five-member Executive Council. The Council will include a number of departments. The administration will look after its own finances.

On the possibility of the interim government eventually being transformed into a regular government, Wiryono said the MNLF and the Philippine Government are still far apart. The Philippine Government insists on a referendum while the MNLF renounces the idea of a plebiscite or referendum.

Officials at Manila-Muslim Rebel Talks Comment

BK0112034595 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 30 Nov 95

[FBIS Translated Text] Philippine panel head Manuel Yan and MNLF [Moro National Liberation Front] Chairman Nur Misuari have made assurances that the peace talks would succeed despite the looming issue on the establishment of a provisional government in Mindanao. In a joint statement, the two thanked President Ramos for his continued support for the peace process.

Meanwhile, the GRP [Government of the Republic of the Philippines]-MNLF negotiations continue to seek for solutions acceptable to both parties on the issue of the provisional government, although many believe that this will be tackled in the fourth round of the peace talks.

The president has expressed optimism that the talks will yield desirable results. On the other hand, the Muslim leaders encouraged their people to support the results of the ongoing talks. They further stressed that they will not give support for the formation of a separate Mindanao state.

Philippine Peace Talks End; No 'Full Agreement'

BK0112132295 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 1 Dec 95

[FBIS Translated Text] The third round of peace talks between the Philippine Government and the Moro National Liberation Front, MLNF, which began in Jakarta on 27 November, ended an hour ago without achieving a full agreement. According to Foreign Minister Ali Alatas, two issues — including the integration of the MNLF guerrillas into the Philippine Armed Forces — must still be resolved:

[Begin Alatas recording] The results that we have achieved so far can be considered quite substantive, even though we must admit that full agreement was not reached during the third round of talks. There are two issues in particular; namely, the method for integrating the MNLF guerrillas into the Philippine Armed Forces and the distribution of police and military strength in their autonomous region. A method must also be found to reconcile the autonomy agreement with the Army's functions.

What has been achieved, however, is substantive. I believe that all sides are satisfied with the results. We will continue with our efforts, and with God's grace we will hold a fourth round of talks. God willing, the upcoming round of talks will be the final one. [end recording]

The fourth round of peace talks will be held in Jakarta soon. Foreign Minister Ali Alatas said Indonesia strongly wants the upcoming round of talks to be held in privacy and conducted in a more intensive manner to achieve a compromise agreement between the two sides. Indonesia can only guide the two sides toward a settlement; it will not side with any party.

Lifting of UN Arms Embargo on Bosnia Hailed

BK2311150595 Jakarta ANTARA in Indonesian 1029 GMT 23 Nov 95

[FBIS Translated Excerpt] United Nations, New York, 22 Nov (ANTARA) — Ambassador Nugroho Wisnumurti, permanent representative of the Republic of Indonesia to the United Nations, says Indonesia has become the happiest member of the UN Security Council with the passing of a draft resolution on a gradual lifting of the arms embargo against Bosnia-Herzegovina.

"Over the past four years, Indonesia which has been supported by the Caucus [of Nonaligned Countries] in the UN Security Council has called for the lifting of the arms embargo against Bosnia- Herzegovina so that it could defend itself from Serb aggression," he told ANTARA in New York on Thursday.

According to him, the UN Security Council resolution on the lifting of the arms embargo against Bosnia-Herzegovina is expected to help accelerate the realization of peace in Bosnia-Herzegovina in particular and in the Balkans in general. [passage omitted on resolution]

PRC Urges Cooperation in Nuclear Technology

BK2911032795 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 29 Nov 95

[FBIS Translated Text] China has called for cooperation with Indonesia in the development of nuclear technology. Jiang Xinxiong, president of the China National Nuclear Corporation, said this after visiting the G.A. Siwabessy Multipurpose Reactor at the Center for the Development of Science and Technology in Serpong yesterday.

The Chinese official said the Chinese Government regarded nuclear power plants as a correct choice to meet the demand for electricity. While China has an abundant coal supply, this source of energy will not be economical to meet the demand by industries for electricity.

Malaysian Official Stresses Resolution of Dispute

BK2911140595 Jakarta ANTARA in Indonesian 0301 GMT 29 Nov 95

[FBIS Translated Text] Palembang, 29 Nov (ANTARA) — Malaysia wants peaceful discussions with Indonesia in an effort to solve the Ligitan and Sipadan Islands issue. This statement was made by Malaysian Acting Foreign Minister Datuk Leo Michael Toyad while delivering a talk entitled "The Malaysia-Indonesia Perspective in Facing Challenges and Opportunities in the Asia-Pacific Era" at the Fourth Malaysia-Indonesia (Malindo) youth dialogue session in Palembang on Tuesday [28 November].

According to the Malaysian acting foreign minister, within the scope of the good Malaysia-Indonesia relations, it is clear that the potential "territorial" disputes of the Straits of Malacca and the Sipadan and Ligitan Islands could dampen relations between the two countries.

He said: "These issues need to be tackled in a mature manner because physical confrontation would definitely not bring mutual benefit to the two countries. It would also disrupt peace and stability in the Asia-Pacific region."

In addition, the minister proposed that the issue be solved through peaceful discussions "at whatever cost."

He said: "The two sides must undertake specific initiatives toward achieving a satisfactory solution to this issue."

Apart from this, the acting Malaysian foreign minister also disclosed that with Malaysia's rapid economic development in the Asia-Pacific region, the major and medium Western powers have diverted their attention toward this region.

He added that the Malaysian authorities will consider the benefit to be derived from the presence of these "migratory groups" in the economic sectors that could further hasten the progress of the Asia-Pacific nations in general.

Philippines

Ramos Sees Need for U S. Military in Region

BK2711083395 Manila PHILIPPINE DAILY INQUIRER in English 20 Nov 95 p 11

[Report by Cynthia Balana]

[FBIS Transcribed Text] Osaka (via PLDT) — President Ramos on Saturday [18 November] said the United States' military presence in the Asia-Pacific region is necessary to enhance economic interdependence among the 18 members of the Asia-Pacific Economic Cooperation (Apec).

"There is no question that the presence of the United States, both militarily and economically, has a significant stabilizing influence on the region," he said.

But he stressed he was not proposing that Apec be converted into a security alliance.

"It is more economic interdependence, not military arms, that will ensure the security of our region," he said.

Mr. Ramos cited the Asean Regional Forum as the only "very useful" political assembly because it serves as a platform of discussion and consultations of problems in solving not only members of the Asean but also other Asia-Pacific countries.

Shortly after the US announced the cancellation of President Bill Clinton's visit to Japan for the Apec summit which ended here yesterday, political analysts here equated this to the waning interest of the US to Asia.

Asked if he considered China a threat to the implementation of the Apec Action Agenda, Mr. Ramos said China's economic development would contribute to its political stability and lead to shared prosperity in the entire Asia-Pacific region.

If China is not economically stable, it would be more of a threat to the stability of the Asia-Pacific region. Continued economic development of China, on the other hand, will ease or remove much of the internal pressures generated by social problems within China."

Chinese President Jiang Zemin has assured President Ramos that China will not pose a threat to countries in the Asia-Pacific region. Jiang said his county is committed to the peaceful solution of territorial disputes in the South China Sea.

Senate Ratifies Extradition Treaty With U.S.

BK2411024395 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 23 Nov 95

[FBIS Translated Text] Filipino criminals who are in hiding in the United States can now be arrested. According to government prosecutors, Senate approval of the extradition treaty between the Philippines and the United States is a major development for the arrest of criminals who have escaped from the country. In this regard, Senior State Prosecutor (Leonardo Giab) said that the government can now arrest the [word indistinct] executives involved in the 1993 T [Treasury]-bill scam. [name indistinct] Bradley and Marilyn Nite are among the suspects who defrauded local banks of hundreds of millions of pesos and are in the United States.

The Senate also approved on second reading the extradition treaty between the Philippines and Switzerland. According to Foreign Relations Chairman Ernesto Maceda, the two treaties will be formally ratified next week. The Philippines already has extradition treaties with countries such as Indonesia, Thailand, Australia, Canada, Micronesia and South Korea.

Joint Maritime Border Patrol With Malaysia Ends

BK2711123895 Manila MANILA STANDARD in English 22 Nov 95 p 7

[Report by Rudy Saavedra]

[FBIS Transcribed Text] Zamboanga City — The Philippines and Malaysia concluded last Monday their initial seven-day joint border patrol, a collaborative effort designed to curb piracy, illegal entry on both countries, arms shipment, and illegal fishing in the territorial borders of the two ASEAN countries.

The historic joint border patrol was a result of earlier meetings between representatives of both countries held in the Philippines and Malaysia this year.

Leaders of both panels hailed the Philippine-Malaysian cooperation in a news conference held at the Naval District VI, this city, last Monday.

"What we have concluded today have far reaching benefits for both countries in our relationship with each other," said Commodore Datu Tuan Hashim Bin Tuan Mohamad, chair of the Malaysian border patrol group.

"The fact that we were able to launch this joint patrol soon only proves the willingness of both nations to work together for the security and peace in this area," Commodore Mohamad said.

Mohamad's counterpart, Armed Forces Southern Command [Southcom] chief Maj. Gen. Ruperto Ambil, Jr. said "the exercise has developed a sense of trust and confidence among the members of the organization which is very important when we talk of security."

Ambil said that both countries will be committing several vessels to undertake the joint patrol on the Philippine-Malaysian border "as may be required."

Initially, Malaysia will commission four ships from its own Navy, Fishery, Customs, and Marine Police for the joint patrol team while the Philippines will field three naval ships and two aircrafts.

The Southcom chief, however, clarified that the border patrol system will be limited only on the border areas and with the cooperation both countries can look forward to growth and development in the area.

Earlier this year, the Philippines also forged a joint border patrol agreement with neighboring Indonesia.

The pact was also aimed at curbing illegal intrusion into the territorial waters of both countries by fishermen, piracy, and illegal entrants.

Southern Borders Jointly Secured With Malaysia

BK2811070595 Manila PHILIPPINE DAILY INQUIRER in English 24 Nov 95 p 2

[Report by Roel Parreno]

[FBIS Transcribed Text] Zamboanga City — The Philippine and Malaysian Armed Forces agreed to deploy at least seven naval gunships and four aircraft to safeguard the borders of the two countries at the closing last Monday [20 November] afternoon of the seven-day border-crossing patrol exercise.

Malaysian Navy Commodore Datu Tuan Hashim Bin Tuan Mohamad said that some 500 combined troops from both countries will be deployed on the border areas.

Commodore Bin Tuan Mohamad said at the closing of the border exercise at Naval District VI in this city that the existence of the joint cooperation patrol is one indication for the closer relation of the two neighboring countries.

The border patrol agreement was signed last 29 March by Secretary Roberto Romulo of the Department of Foreign Affairs (DFA) and Datuk Abdullah Ahmad, Malaysian Minister of Foreign Affairs.

Commodore Bin Tuan Mohamad said the joint border patrol has developed also the trust and confidence among forces of the two countries.

Southern Command chief Maj. Gen. Ruperto Ambil said that aside from the border patrol both countries are looking for the establishment of border crossing stations to check vessels going to the Philippines or Malaysia illegally.

This will also curb the illegal practice of some Filipinos and Malaysians of going into the country using the southern back door without proper documentation, according to Gen. Ambil.

He said that during the border patrol exercise that started in Sandakan, one of the border stations of Malaysia, many Filipinos were reported to have entered Malaysia illegally through the southern back door.

Ambil said with the existence of joint patrol it will minimize or at least solve the smuggling activities in the south which is considered as one of the "nagging problems" of both Governments of the Philippines and Malaysia.

The borders that are being jointly patrolled are Balabag, Mapan, Taganak, Sitangkai, and Bonggao islands in the Philippines and Labuan, Kudak, Sandakan, Lahad Datu, Sampurna, and Tawao islands in Malaysia.

SRV Agrees to Maritime Research in Spratlys

BK3011045195 Quezon City Radio Filipinas in English 0230 GMT 30 Nov 95

[FBIS Transcribed Text] President Ramos and Vietnamese President Le Duc Anh, who arrived for a state visit yesterday morning, agreed in principle last night to the holding of a workshop on joint maritime scientific research in the South China Sea.

The agreement was reached during the more than one hour meeting between the Vietnamese and the Philippine delegations at the Malacanang state dining room, attended by the two leaders. While the proposed joint maritime research is being finalized on the ministerial level, Anh told Mr. Ramos that Vietnam will continue to talk with China, one of the claimants to the Spratlys in the South China Sea.

To arrive at the code of conduct similar to what it entered into recently with the Philippine Government, Anh said Vietnam has an agreement with China similar to the Article III of the Vietnam- Philippine Code of Conduct where the two sides agreed to refrain from using force in settling any territorial disputes and desist from any act that might affect the friendship and stability in the region. The two leaders expressed optimism that in the end, Vietnam, China, and the Philippines and other claimant countries will adhere to the common code of conduct.

Ramos, SRV President Agree To Strenghten Ties

BK3011054795 Quezon City Radio Filipinas in English 0230 GMT 30 Nov 95

[FBIS Transcribed Text] The Philippines and Vietnam have moved to strengthen economic and technical cooperation ties with the signing of two memorandums of agreement which coincided with the visit to Manila of Vietnamese President Le Duc Anh. Le Duc Anh told President Ramos during a meeting in Malacanang that his country would like to expand existing economic relations with the Philippines, a move welcomed by President Ramos. Closer economic ties between the two countries would mean a bigger market for Philippine exports given Vietnam's 72 million population.

The two presidents witnessed the signing of the protocol to the basic trade agreement made in 1978 which both countries consider outdated given the present increased bilateral trade. The Philippines is now the 20th largest investor in Vietnam.

Total bilateral trade for the first eight months of 1995 amounted to $90 million with Philippine exports reaching to $72 million dollars, a 144 percent rise over the same period last year.

The bulk of the country's exports to the socialist nation consisted of mineral and chemical fertilizers, aviation fuel, coconut oil, cigarettes, machineries, and chewing gum.

The Philippines, on the other hand, imported from Vietnam $18.7 million worth of goods including semi-milled or wholly milled rice, peanuts, knitted or crocheted fabric, trawlers and fishing vessels, cassava and coal.

Trade Secretary Views APEC Summit Results

BK2711081395 Manila BUSINESS WORLD in English 20 Nov 95 p 12

[Report by Wilfredo G. Reyes]

[FBIS Transcribed Text] President Ramos was scheduled to arrive late last night with an APEC [Asia-Pacific Economic Cooperation] commitment to a consensus approach to approving memberships and a 10-year exemption from liberalization for rice.

A [Malacanang] Palace statement quoted Trade Sec. Rizalino Navarro as saying that while the recently concluded Asia-Pacific Economic Cooperation (APEC) summit in Osaka, Japan had "not reached 100 percent of our expectations," the Philippines considers it successful if only for the above developments.

The summit adopted the Osaka Action Plan, which, in part, observes flexibility by phasing out the liberalization of agricultural goods and approving a 10-year exemption from liberalization for rice. The Philippines and other affected countries will have to provide for phased liberalization for rice, similar to that for other agricultural goods, after this period expires.

Mr. Navarro said this is comfortable enough for members of the Association of Southeast Asian Nations, who have already committed to the liberalization of such goods by the year 2004.

By comparison, APEC sets two liberalization timetables: 2020 for developing economies and 2010 for industrialized economies.

Details of the Osaka Action Plan focus on enhancing cooperation in 15 areas, including human resources development, industrial science and technology, promotion of small- and medium-scale enterprises, infrastructure, fisheries and marine conservation, and agriculture.

It remains to be seen how the Philippines' other agenda fared:

— the adoption of a framework to multilateral agreements;

— adoption of the principle of "open regionalism" to free APEC members to extend benefits to nonmembers on a reciprocal, most- favored-nation basis as a way of expanding the Philippines' access to global markets; and

— securing APEC commitment for the protection of migrant workers and other human resources;

— identifying countries from which the Philippines can readily secure food items, especially grains, in the event of scarcity;

— enticing increased Japanese investments and importation of Philippine products; and

— redressing the country's negative trade balance with several APEC member states.

All Mr. Ramos said on the issue of protection for migrant workers was that this "is also being looked into in the Osaka Action Agenda."

Mr. Navarro, who used the trip partly to explore the possibility of securing standby commitments for rice supplies from such countries as Thailand and Australia, stressed the urgency of securing the necessary contracts for at least 500,000 metric tons within the year.

Mr. Navarro said that "unless the supply is negotiated now for shipment in the near future, we cannot assure ourselves of decent buffer stocks for the beginning of 1996."

During the trip, Mr. Ramos sought to entice increased Japanese investments by citing such positive factors as geographical proximity to Japan, abundant natural resources, a skilled work force, the resolution of the energy crisis the proliferation of industrial estates and export processing zones, as well as various market reforms.

He noted as evidence of an improved investment climate the presence in the Philippines of such big names in Japanese industry as Hitachi, Matsushita, Uniden, Honda, Toyota, Nissan, Rohm Fuitsu, IBM Japan, Yamaha, Toshiba, Fuji Electric, Fuji Bank, the Bank of Tokyo and the establishment by the Kedianren's Japan Industrial Development Organization of a 180-hectare industrial estate within the Subic Bay Freeport and Special Economic Zone.

He said areas for prospective Japanese investments include the capital market, telecommunications, various infrastructure, electronics, automobile parts, metals fabrication machinery, plastics, packaging and food processing.

The Philippines is currently preparing for a number of leadership roles next year with regard to APEC: chairmanship of the forum with a summit to be held in November in Subic, an APEC ministerial meeting on the environment and sustainable development, an APEC conference on creating financing for sustainable development, and another ministerial meeting on human resources next January.

Mr. Ramos said he aims to focus next year's summit on such concerns as an APEC commitment to environmental protection and such unconventional debt reduction schemes as debt-for-nature, debt-for- education, debt-for-welfare and debt-for-youth arrangements.

Current members of APEC are Australia, Brunei Darussalam, Canada Chile, People's Republic of China, Chinese Taipei, Hong Kong, Indonesia, Japan, Republic of Korea, Malaysia, Mexico, New Zealand, Papua New Guinea, Singapore, Thailand, the United States and the Philippines.

Ramos Defends Decision To Host APEC Meeting

BK2111081095 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 0510 GMT 21 Nov 95

[FBIS Translated Text] Despite the continuous criticism, President Ramos has defended holding the APEC [Asia-Pacific Economic cooperation] leaders' meeting in Subic next year. Several lawmakers revealed that the government must spend as much as P [Philippine pesos] 1.2 billion to host the meeting. According to Ramos, the APEC meeting is important because it will address issues related to trade and commerce, issues that will result in the improvement of the people's welfare. In this regard, Senator Francisco Tatad said that it is better not to continue with plans to hold the APEC meeting here because of the huge expenses involved.

Ramos Denies South Bombings Link to Peace Talks

BK3011031195 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 29 Nov 95

[FBIS Translated Text] President Ramos has strongly denied that the recent bombings in Zamboanga and North Cotabato are related to the ongoing GRP [Government of the Republic of the Philippines]-MNLF [Moro National Liberation Front] peace talks. The Malacanang statement however said that the bombings have political undertones but are related to business.

Meanwhile, President Ramos thanked Indonesian President Suharto after stressing to the MNLF panel that they do not have any plans to support the establishment of a provisional government demanded by the MNLF. President Ramos added that the talks continue to be smooth. He expressed hope that the issue on establishing a provisional government will be finally resolved.

Expresses Confidence in Talks

BK0112043495 Quezon City Radio Filipinas in English 0230 GMT 1 Dec 95

[FBIS Transcribed Text] Philippine President Fidel Ramos said on Thursday he was confident peace talks between the Philippines and Muslim separatist rebels would reach a successful conclusion despite crucial differences. President Ramos said he had received a letter from Nur Misuari, Moro National Liberation Front [MNLF] leader, and the head of the government panel Manuel Yan pledging to reach agreement. In a statement President Ramos said, and we quote, I am confident that such a determined spirit on the part of all those on the negotiating table will continue to nurture the talks to a successful conclusion, end of quote.

Negotiations to end the 23-year old war which had already claimed the lives of 50,000 people is expected to go to a fourth round because of differences on the integration of the MNLF army with the armed forces as well as the mechanism for establishing an autonomous region on southern Mindanao island. Both sides are seeking to finalize plans for the autonomous region for minority Muslims in Mindanao. The third round of talks was hosted by Indonesia and sponsored by the Organization of Islamic Conference. Agreement had already been reached on economic issues like control of state companies, Islamic law, education and government administration in the proposed autonomous region. More than 80 percent of the 68 million people in the Philippines are Roman Catholics.

Ramos Concerned by Abu Sayyaf-Terrorists Links

BK2411105795 Manila PNA in English 0326 GMT 23 Nov 95

[From the Press Review — received via Internet]

[FBIS Transcribed Excerpt] [passage omitted] A cease-fire agreement was signed yesterday by the government negotiating panel and the Moro National Liberation Front (MNLF) in Lanao Del Norte to prevent further violence and bloodshed in Mindanao...

The agreement was signed at the Macapagal Training Center in the Tubod Provincial Capitol in Lanao Del Norte with Gov. Abdullah Dimaporo, chairman of the Provincial Peace and Order Council.

Dimaporo said the pact is a result of the efforts of the government and the rebel group to find lasting peace on the island.

Maj. Gen. Ruperto Ambil, Armed Forces of the Philippines (AFP) Southern Command (Southcom) chief, said... [sentence as received]

Gen. Arturo T. Enrile, AFP chief of staff, said recent clashes between the government and the MNLF in Basilan, which led to the killing of two MNLF members and a soldier, were being reviewed out by the Joint Cease-fire Committee (JCC) of the two parties.

The JCC will visit Basilan to determine the MNLF-occupied areas and which are not, "so that in the future, if violations are committed, then we can immediately say these are within the MNLF areas," Enrile said...

President Ramos yesterday expressed concern over the growing strength and capability of the Moro Islamic Liberation Front (MILF) to disrupt the peace and development in Mindanao and placed the entire military and police forces on red alert against violence by the extremist group...

The president also expressed alarm over the increasing links being built by the Abu Sayyaf group and the National Islamic Command Council with international terrorists...

In a briefing, Jose Almonte, national security adviser, said the MNLF has been building up its manpower and firepower. "This situation is viewed with much concern and seriousness. What appears to be serious in the qualitative change in the arms and personnel strength of the MILF," he said... [passage omitted]

Troops Deployed in Manila To Thwart Terrorists

BK2711144495 Manila MANILA STANDARD in English 23 Nov 95 p 2

[Report by Romie Evangelista]

[FBIS Transcribed Text] Military and police authorities have deployed augmentation troops in key areas of the metropolis following intelligence reports of terroristic activities on or before the Christmas season.

The intelligence reports bared that the terroristic activities will be carried out by local terrorists and their foreign counterparts.

The Philippine National Police [PNP] has deployed at least three special task groups in Metro Manila's strategic points.

Five police districts under the PNP National Capital Region has been placed on a round-the-clock alert status.

A memorandum order sent to the five police districts in Metro Manila indicated that among those to be closely monitored are the diplomatic centers, shopping malls, and government installations, particularly in the western and southern areas where most of the diplomatic centers are located.

However, the memo did not indicate the reason for the close monitoring of the said establishments.

The PNP leadership, in an apparent move to downplay the situation, denied placing any unit under red alert status.

Supt. Arturo Lomibao, PNP spokesman, told Camp Crame-based reporters that the PNP is not in red alert, although there are precautionary deployment of policemen in various areas in the metropolis due to the onset of Christmas season.

Newspaper reports earlier said foreign terrorists with connections to the Abu Sayyaf group have entered the country recently.

These reports, however, have been downplayed by both the police and military intelligence community.

The Armed Forces command also had earlier indicated that Muslim terrorists could launch attacks aimed at disrupting the third and final round of peace talks with the Moro National Liberation Front (MNLF) in Jakarta scheduled for next week.

Third Wave of Privatization Includes Utilities

BK3011044895 Manila MANILA STANDARD in English 25 Nov 95 p 9

[Report by Ramon Tomeldan]

[FBIS Transcribed Text] The government is getting set for a third wave of privatization projects that would include a number of utilities, at least one pension fund, and a home financing company.

Included in the third wave are the Philippine National Railways [PNR], Manila Waterworks and Sewerage System, National Power Corp., Social Security System, Local Waterworks Utilization Authority, and Philippine Ports Authority among others.

A new privatization agency distinct from the Asset Privatization Trust (APT) may have to be created to make sure the sale of these service companies would yield the most benefit, according to Finance Secretary Roberto de Ocampo.

De Ocampo said the APT would not be able to adequately handle a whole new batch of projects because it is too busy with its present tasks.

The Asset Privatization Trust has been handling the sale of the government's non-performing assets [NPA] including companies being supervised by the National Development Co., a slew of cash-strapped subsidiaries and Bases Conversion Development Authority, the former military facilities and reservation areas.

"The proposed agency would take the lead in articulating government policies and crafting concrete plans as well as in implementing and monitoring the third round of privatization," De Ocampo said.

The privatization program, which began in 1987, enabled the cash- strapped government to achieve a surplus in its budget. The government estimates to earn some P [pesos] 40 billion from the privatization program this year.

De Ocampo said privatization would also conform with the government effort to deregulate the economy and take out state firms in areas which are better left in the hands of private sector.

This was the underlying policy in the first privatization wave which included the auctioning of state-foreclosed or sequestered assets, De Ocampo said.

The second wave involved the sale of losing enterprises that required prior financing restructuring. This is an ongoing concern, he said.

The third wave would dispose of service companies that are too cumbersome for the government to maintain, he added.

Thailand

Air Force Commander Reports on F-18 Purchase

BK1511110495 Bangkok Radio Thailand Network in Thai 0530 GMT 15 Nov 95

[FBIS Translated Text] The commander of the Air Force has reiterated that the design has been carefully selected and very careful consideration has been devoted to the purchase of F-18 military aircraft.

After receiving the Air Force officers and employees who greeted him on his birthday at the Air Force Command today, Air Force Commander M.R. [Mom Rachawong—royal title] Siriphong Thongyai said regarding the plan to buy the F-18's that the capacity of an aircraft of this type adequately meets the requirements of the responsibility to defend the country's interests. The purchase is being made using the government-to-government method.

[Begin recording] [Siriphong] We will purchase them directly from the U.S. Government. The U.S. Government has an assigned sector dedicated to conducting this business with us. It has authorized its Air Force to act on its behalf in conducting this business. [words indistinct]

[Unidentified correspondent] What about the F-16 as compared to the F-18?

[Siriphong] I believe that my committee, which is comprised of experts, has carefully and thoroughly studied all aspects of this issue. I have also studied all the details myself, and I can tell you briefly that the flight capability of the F-16 is greater than that of the F-18, but the F-18 has greater capabilities than the F-16 in other categories. I do not think I have to give you the details regarding specific capabilities. I would like to stress here, however, that the F-18 is most suitable to the purpose entrusted to us by the government. [end recording]

With regard to the progress in purchasing the aircraft, the Air Force commander said the matter has now been passed to the Defense Ministry and has been forwarded to the Foreign Affairs Ministry for further action. During the interim, we must wait for the outcome of talks and for agreement with the U.S. side.

Head of Xinhua's Hong Kong Office Arrives

BK2211100495 Bangkok XIN ZHONG YUAN RIBAO in Chinese 22 Nov 95 p 15

[FBIS Translated Text] At the invitation of Foreign Minister M.R. [Mom Ratchawaong — royal title] Kasemsamoson Kasemsi, Zhou Nan, head of Xinhua She's Hong Kong Office, and his wife arrived in Bangkok on 17 November to attend activities marking the 20th anniversary of the establishment of Sino-Thai diplomatic relations. They were warmly welcomed at the airport upon their arrival.

Foreign Minister M.R. Kasemsamoson will hold a banquet for them at the Oriental Hotel at 1900 on 22 November. Bangkok Bank President Chen Youhan [Chatri Sophonphanit] will be invited to attend the party.

The foreign minister will accompany Zhou Nan and his wife to pay courtesy calls on government leaders at the Government House on 23 November.

Meets With Banhan

BK2411100795 Bangkok XING XIAN RIBAO in Chinese 24 Nov 95 p 7

[FBIS Translated Text] Zhou Nan, head of XINHUA SHE's Hong Kong Office, representing the Chinese Government, paid a courtesy call on Prime Minister Banhna Sinlapa-acha.

Zhou Nan said that he felt delighted at the opportunity to call on the prime minister and to jointly attend celebrations to mark the 20th anniversary of diplomatic ties between Thailand and China. Zhou Nan believes that the friendly relations of two countries will further strengthen in the future. He said China will implement the policy of one country two systems after China recovers Hong Kong.

Prime Minister Banhan welcomed Zhou Nan's visit to Thailand. He believed that the friendly ties between the two countries will strengthen in the future. Banhan also asked Zhou Nan to convey his message asking the Chinese Government to look after the Thai businessmen investing in China. Banhan also believed that Hong Kong will remain a regional investment center after it is returned to China.

Foreign Minister on Bilateral Trade With PRC

BK2611143095 Bangkok ZHONG HUA RIBAO in Chinese 25 Nov 95 p 13

[FBIS Translated Text] The Foreign Ministry has spoken highly of the great progress in bilateral trade and investment between Thailand and China. Bilateral trade volume is expected to reach 75 billion baht this year. Thai businessmen have invested in approximately 2,100 projects with a total investment of over $4 billion, making Thailand as the 8th largest foreign investor in China.

Speaking at a seminar held on 22 November, on Sino-Thai relations over the past 20 years. Foreign Minister M.R. [Mom Ratchawong — royal title] Kasemsamoson Kasemsi said that Thailand had achieved success in trade and investment with China. Bilateral trade volume between the two countries in 1994 was recorded at $2.32 billion. Bilateral trade is expected to reach $3 billion, or 75 billion baht, in 1995.

He said that Thai companies had invested in 2,114 projects with a total investment of over $4 billion. Thailand ranks as the 8th largest foreign investment country in China. Judging from bilateral relations and China's economic potentials, especially the development of the free trade system, bilateral trade and investment cooperation between Thailand and China will continue to increase by several times in the future.

Banhan, Officials View Dispute With Malaysia

BK0112051795 Bangkok Thai Color Television Channel 9 in Thai 1200 GMT 30 Nov 95

[FBIS Translated Text] The prime minister said that it would take time to settle the Thai-Malaysian fishing dispute. Prime Minister Banhan Sinlapa-acha referred to the move by a group of fishermen in Pak Phanang District, Nakhon Si Thammarat Province, to close Pak Phanang Bay saying that the Ministry of Agriculture and Cooperatives must take care and rectify the situation before the ASEAN summit begins. However, the prime minister believes that the dispute would not worsen.

[Begin Banhan recording] Ones would have to understand the reasons. The Ministry of Foreign Affairs has consistently been trying to talk with the Foreign Ministry of Malaysia. The Thai ministry has not been inactive. It would take some time for them to clarify the issue and not an easy task once something happens. [End recording]

Ari Wong-araya, permanent secretary of the Interior Ministry, disagrees with the proposal by the director general of the Fisheries Department to inspect the territorial water problem in Malaysian waters. He said that all sides concerned are trying to solve the problem, therefore no one should do anything that may be adverse.

[Begin Ari recording in progress] ...at the provincial level, the Ministry of Interior will have to oversee that peace and order is maintained. It will have to ask all sides concerned to hold talks. A quarrel or any inappropriate activity should not be carried out. [End recording]

The Thai embassy in Malaysia is following up and coordinating with the Malaysian authorities on the recent shooting of Thai trawlers. Mom Ratchawong Thep Thewan, permanent secretary of the Ministry of Foreign Affairs, said the ministry has instructed the Thai consulate in Kota Baru and the Thai embassy in Malaysia to follow up the issue and submit their reports constantly.

In the case of plan of the director general of the fisheries department to lead a fleet of Thai trawlers to enter Malaysian territorial waters, the ministry's permanent secretary said it is personal opinion. He does not regard that as meddling in the affair of other ministry, and therefore the fishery chief does not have to seek permission of the Ministry of Foreign Affairs.

The permanent secretary of the Ministry of Foreign Affairs also said this issue would not be raised at the forthcoming ASEAN Summit as it is only a bilateral conflict.

Minister on Fisheries Chief Protest Fleet Plan

BK3011130695 Bangkok BANGKOK POST in English 30 Nov 95 p 1

[Unattributed report]

[FBIS Transcribed Text] The Fisheries Department director has been ordered to scupper his plans to lead an armada into Malaysia's exclusive economic zone.

Agriculture and Cooperatives Minister Montri Phongphanit said he preferred diplomatic channels to Plotprasop Suratsawadi's high seas challenge to Malaysia.

As host of next month's ASEAN [Association of Southeast Asian Nations] summit, the Government had a duty to solve the problem peacefully, he said.

Prime Minister Banhan Sinlpa-acha and Mahathir Mohamad, his Malaysian counterpart, would discuss the issue at the summit, he said, and he believed the dispute would be heading for calmer waters.

Mr Plotprasop had threatened to lead a fleet of trawlers through Malaysian waters to remind Kuala Lumpur that the right of passage is protected by international maritime law.

But Mr Montri said the armada, which was to have set off in the next few weeks would stay in port.

"Mr Plotprasop confirmed to me that he will not go ahead," he said.

The decision won the support of Thongthan Loetratthaphon, representative of Samut Sakhon fishermen, who said the voyage would have been a last resort measure.

"I think officials should instead look at long-term preventive measures," he said.

No Response From Burma on Nuclear Weapons Pact

BK0112082295 Bangkok BANGKOK POST in English 1 Dec 95 p 6

[Unattributed report]

[FBIS Transcribed Text] Burma has not yet responded to the ASEAN overture for it to accede to the regional nuclear weapons-free zone pact the seven Southeast Asian nations are planning to launch in Bangkok this month.

Laos and Cambodia have confirmed that their leaders will jointly sign the Southeast Asian Nuclear Weapons-Free Zone treaty along with the seven leaders from ASEAN members: Brunei, Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam.

Foreign Permanent Secretary Thep Thewakun said yesterday that Burma has not yet made known her opinion towards the treaty, while Laos and Cambodia have already expressed their readiness to accede.

ASEAN senior officials finished drafting the treaty last week which is aimed at prohibiting signatories from producing, possessing and testing nuclear weapons except for peaceful uses such as energy generation.

The treaty signing is meant to be one of the highlights of the Fifth ASEAN summit meeting in Bangkok during December 14-15.

Leaders from Laos, Cambodia and Burma will also be present at the meeting which sets out a mission to integrate all ten Southeast Asian nations under one umbrella of ASEAN.

Laos and Cambodia hold observer status with the group and have said they wanted to become full members within two years.

ASEAN has invited the Burmese Foreign Minister to join the last two annual meetings of its foreign ministers.

With or without Burma's accession, ASEAN will launch its nuclear weapons-free zone treaty on December 15, an informed ASEAN source said.

"We have been waiting for this important treaty for a long time since 1976, and we have already offered this opportunity to Burma. Whether she accepts or not, we do not mind," he said.

M.R. [Mom Ratchawong — royal title] Thep expressed the hope that the world's five nuclear power states, namely Britain, China, France, Russia and the United States, will sign a protocol to abide by the principles spelled out in the treaty in the future.

"I do not think that they will hesitate in joining us this time," he said, adding that ASEAN's pledge not to develop nuclear weapons should satisfy these countries.

At the same time, senior ASEAN officials still fail to agree on how to enable countries outside the region to accede to its Treaty of Amity and Cooperation and what role they play in conflict resolution.

Australia, New Zealand and Russia have expressed interest in acceding to the treaty. According to the Permanent Secretary, ASEAN has reservations on whether countries outside Southeast Asia should join the conflict-resolution mechanism when their interests are also at stake.

The treaty is the main legal framework of ASEAN and advocates peaceful conflict resolution, mutual respect and non-interference. It provides for the setting up of a high council to resolve conflicts in the region.

"Since we are unable to find the resolution at this point, so this issue may not come up at the summit," said M.R. Thep who led the Thai delegation to the ASEAN senior officials' meeting in Jakarta last week.

Apart from taking stock of their political and economic achievements, the leaders will also hold talks on social and cultural cooperation.

The leaders will pledge to strengthen cooperation in battling AIDS and narcotics. Among the documents to be signed by the leaders will be the agreement to form the ASEAN university network, in which Thailand's Chulalonglongkon and Burapha universities will take part.

Army Chief on Improved Relations With Burma

BK1211103895 Bangkok THE SUNDAY POST in English 12 Nov 95 p 3

[FBIS Transcribed Text] Army Commander-in-Chief General Pramon Phalasin yesterday said he hoped the Thai defence minister and Burmese deputy prime minister would be able to improve ties and correct misunderstandings.

Gen Chawalit Yongchaiyut has invited Vice Admiral Maung Maung Khin for a five-day official visit beginning Tuesday.

Pramon said he was optimistic that tensions over the killing off the coast of Ranong of six Thai fishermen by a Burmese crew would gradually lessen. The situation would improve once the relevant agencies from both sides had been given a chance to resolve the problem, he said.

Last August, three Burmese fishermen were killed by Thai fishermen.

Gen Pramon said Thailand was concerned that this incident might harm relations between the two countries.

But he did not think that the latest incident would strain bilateral ties.

The Governor of Ranong, Sathit Saengsi, compiled a report for the Interior Ministry on the killing of the six Thai fishermen by members of a Burmese crew.

A provincial official said the report urged the ministry to liaise with Burma.

The aim is to get the Burmese authorities to send back the two hijacked trawlers, the Nawichai, and the Paknam Ranong 5.

Navy Commander Views Sea Disputes With Burma

BK1711071095 Bangkok THAILAND TIMES in English 17 Nov 95 p A3

[Unattributed report]

[FBIS Transcribed Text] Bangkok — Navy Commander-in-Chief Adm Prachet Siridet yesterday insisted an obvious division of sea boundaries could solve conflicts between Thailand and its adjacent neighbors, particularly Burma.

"Negotiations between Thailand and Burma indicate different points of view on fishery rights which is straining relations between the countries," Prachet said.

The division of sea boundaries a clear agreement on fishery rights would allow fishermen of each country to know where they are entitled to fish, he said.

At present, problems are occurring at locations claimed by both countries. The private sector could help greatly in resolving the differences, Prachet said.

He added such problems have also caused conflicts between Cambodia and Thailand.

The Navy Commander said the Burmese have the right to protect their territorial waters just as Thailand does.

He was referring to the killing of six Thai crewmen allegedly by the Burmese in Burmese waters early this month. It was believed the killings were an act of revenge for the murder of Burmese seamen last August.

The incidents caused severe tension in bilateral relations.

Prachet went on to say Burma's fisheries and livestock minister would be included in the Burmese high-level officials' visit to Thailand, to talk with Thailand's deputy agriculture minister about fishing rights.

He also said it was unnecessary to increase patrolling vessels in the Andaman Sea because there are not a lot of Burmese vessels in the area at present.

Talks Held With Burmese on Fishing Disputes

BK2211042695 Bangkok BANGKOK POST in English 22 Nov 95 p 2

[Unattributed report from Ranong Province]

[FBIS Transcribed Text] Officials from concerned agencies yesterday discussed measures to solve fishing problems in Burmese territorial waters following a series of conflicts recently between Rangoon authorities and Thai fishermen operating in the area.

The participants included Ranong fishery official Somphon Losawatdikun, chief of the Fifth Regional Harbour Master Office Ranong Branch Capt [Captain] Pradit Wisutthinan, head of the sixth Thai-Burmese border coordinating team Col [Colonel] Tharit Sunthon and Ranong Fisheries Association president Charun Silawong.

According to Mr. Somphon, the meeting came up with four preventive measures:

— Thai trawlers will have to be equipped with radio communications gear so their position in the sea can easily be traced.

— They will be required to report and to be inspected by the Harbour Department provincial official before setting out to sea.

— The radio communications centre of the Ranong fishery office will be allowed to communicate and inspect the position of Thai fishing boats at all times.

— Any company or person wishing to fish in Burmese territorial waters will have to ask for permission from the Fisheries Department and put up the stipulated guarantee money.

The findings will be submitted to the Ranong and Victoria Point local joint border committee for consideration and further action.

Army Official on Keeping Khun Sa Out of Nation

BK2611115795 Bangkok THE SUNDAY POST in English 26 Nov 95 p 2

[Unattributed Report]

[FBIS Transcribed Text] Opium warlord Khun Sa should not be allowed to live in Thailand, Deputy Army Commander Chettha Thanacharo implied yesterday.

The Government had a clear policy not to shelter anybody considered dangerous, said Gen Chettha.

Three Checkpoints Opened at Cambodian Border

BK0112100795 Bangkok THE NATION in English 1 Dec 95 p A8

[Unattributed report]

[FBIS Transcribed Text] Thailand and Cambodia announced yesterday the official opening of three permanent checkpoints along their border, with respective defence ministers guaranteeing security for local people and their property.

Two of the checkpoints — linking Klong Luk in Sakaeo's Aranyaprathet District with Cambodia's Poi Pet in Battambang, and Hat Lek of Trat Province with Koh Kong of Cambodia — are to be upgraded from temporary checkpoints.

The third crossing links Chong Chom in Surin Province with O'Samach in Cambodia.

The statement was signed by Defence Minister Gen Chawalit Yongchaiyut and Cambodia's Defence Ministers Gen Tie Banh and Gen Tea Chamrat at the close of the first Thai-Cambodia General Border Committee [GBC] meeting in Bangkok.

Chawalit said both countries' armies will be responsible for ensuring the safety for local residents before and after the three passes are set up.

"It is a certainty that the Thai Army will ensure safety on our soil, and the Cambodian army will look after its own territory. I have learned from my counterparts that the present insecurity along the border involves only cases of sporadic fighting, nothing major," he said.

Phnom Penh still faces resistance from the outlawed Khmer Rouge guerrillas, who have strongholds along the border and are known for their hit-and-run tactics, regularly resulting in civilian injuries and property damage.

Apart from the guerrillas, local people have faced looting from underpaid, illdisciplined Cambodian government troops.

In a separate interview, Tie Banh said his government can guarantee safety in the area once the permanent checkpoints open.

"We are not worried about security in Cambodia because we're sure we can handle any situation once the checkpoints open. We are confident there will be no serious problems if the Thai side does what it has promised," he said, without elaborating.

A government source said yesterday a permanent checkpoint cannot be put together in a few days as some people seem to think. The process takes time.

"The Foreign Ministry has long had draft agreements for upgrading the checkpoints at Klong Luk and Hat Lek, but Phnom Penh has yet to confirm the draft," he said.

Chawalit said the Cambodian ministers told him their government is still investigating the murder of 22 Thais in Preah Vihear early this year.

He said although witnesses and evidence submitted by Phnom Penh clearly indicated that the killings were the work of the Khmer Rouge, investigations by both armies continue.

Referring to An Ma pass in Ubon Ratchathani Province, which was closed following the incident, Chawalit said the pass could reopen, depending on the decision of the respective governors.

The GBC decided to officially set up six contact points along the border for local coordination between both security forces, one at An Ma.

The Thai Army had earlier vowed to keep the pass closed until Phnom Penh brings the culprits to justice, and former Army Commander-in-Chief Gen Wimon Wongwanit expressed doubt about Cambodia's claim that the murders were the work of the Khmer Rouge.

Chawalit on Border Meeting With Cambodia Result

BK3011153795 Bangkok Radio Thailand Network in Thai 1200 GMT 30 Nov 95

[FBIS Translated Text] A ceremony was held at the Central Plaza Hotel this morning to acknowledge the outcome of the first meeting of the Thai-Cambodian General Border Committee. Participating were General Chawalit Yongchaiyut, Thai deputy prime minister and defense minister, and Generals Tie Banh and Tea Chamrat, co-defense ministers of Cambodia.

Reporting on the outcome of the meeting, Gen. Chawalit said the meeting was able to solve the problems that occurred along the common border effectively. It also contributed to closer bilateral relations. More importantly, the opening of border crossing points will enable trade between Thais and Cambodians to be more systematic. According to Chawalit, the newly-opened border crossing points are Chong Chom-O Samet, Hat Lek-Cham Yiem, and Khlong Luk- Poipet. The opening will be effective from today, but the Foreign Ministry and the cabinet will have to be informed first in order to assign security personnel to those areas. Regarding safety, Chawalit said each side will provide oversight to ensure the safety of its people.

Swedish Company Denies Bribery Allegation

BK3011084195 Bangkok BANGKOK POST in English 30 Nov 95 pp 1, 3

[Unattributed report]

[FBIS Transcribed Text] The Swedish company at the centre of bribe scandal allegations has hit back at claims it offered a financial contribution to the Democrat Party.

Thomas Arosenius, information officer for Kockums, said yesterday the claim made by Democrat secretary-general Sanan Khachonprasat was "unfounded and we strongly repudiate it".

Maj Gen [Major General] Sanan had said Kockums' representative in Thailand offered a financial contribution to his party during the last general election.

But in answering the allegations Mr Arosenius also challenged the politician to disclose the name of the contactman and the amount of money which was offered to his party.

Kockums' Thailand representative Supridi Sriphadung yesterday also denied Maj Gen Sanan's claim, saying it was "groundless".

Mr Supridi is a former naval officer who graduated from the same naval class as many key officers including present Chief-of-Staff Adm [Admiral] Winai Intharasombun.

Mr Supridi represents Kockums which is vying for a contract to build two attack diesel submarines for the Navy.

However, Maj Gen Sanan yesterday reiterated his earlier claim that the Democrat Party was approached by Kockums' representative in Thailand with the offer of a contribution before the House dissolution in May.

Maj Gen Sanan said his aide, a former military officer, told him an agent from the company, who was a former naval officer, had made the offer.

"I just turned down the offer. I did not bother to see the person who made the offer and did not even know how much money had been offered," said the former interior minister.

The Phichit [Province] politician said he had not paid any attention to the offer since it was natural for people seeking political favours to make offers to political parties.

He said it was quite normal for political parties to get financial contributions from local private companies.

He said he made the disclosure after learning about the bribery allegation in the Swedish Press because he felt it might have something to do with the offer made to his party.

Maj Gen Sanan said the last government had not approved the Navy's proposal to procure two diesel submarines.

Henrik Westander, an arms researcher for the peace group Svenska Freds, who in 1986 made bribery allegations against the Swedish Government in connection with a howitzer deal in India, yesterday said it was likely the allegation made against Kockums would be discussed in the Swedish Parliament.

Kockums was expected to hold a press conference in Sweden yesterday to make a statement on the bribery allegations.

Meanwhile Chat Thai secretary generai Sano Thianthong admitted yesterday that Mr Supridi had been one of his close associates for decades and he had often played golf with him.

But Mr Sano denied Mr Supridi had provided financial support to the Chat Thai Party.

"He is my close colleague but there is no reason why his company should give financial support to our party " said Mr Sano who is public health minister.

He said he did not even know his friend was a representative for Kockums.

Swedish Help on Submarine Bribery Probe Urged

BK0112053795 Bangkok BANGKOK POST in English 1 Dec 95 p 1, 3

[FBIS Transcribed Text] The author of the Kockums submarine allegations called on the Prime Minister yesterday to ask Swedish authorities to initiate a formal investigation.

Henrick Westander's call to Banhan Sinlapa-acha was supported by Thawin Phaison, a senior Phalang Tham [Party — PDP] member, and opposition leader Chuan Likphai.

The move came as two of Sweden's seven parliamentary parties called on their government to investigate the allegations by the Swedish Peace and Arbitration Society.

Mr Westander, a member of the society, which is the world's oldest peace movement, said that without intervention by Sweden, the allegation was unlikely to be verified.

Kockums, he said, which was vying for a contract to build two diesel-powered attack submarines for the Royal Thai Navy, had declined to release its expenditure accounts for payments in April- June to its agents in Thailand.

"The expenditure figure is considered classified and without intervention from the Swedish government it is unlikely that anyone would get these details " he said.

It was also unlikely the Swedish government would investigate without a formal request from Thailand.

Democrat leader Chuan said the allegations had to be investigated because they had gravely tarnished the country's credibility and could not be passed off as a Chat Thai affair.

"It involves the dignity of 60 million Thais," said the former premier. It was not a nonsense issue as claimed by some politicians.

Mr Westander wrote last week in DAGENS NYHETER, Sweden's largest morning newspaper, that Kockums or its agent in Bangkok had paid considerable sums to Chat Thai leader Banhan before the July general election.

The money, he said, was aimed to increase Kockums's chances of winning the submarine order once Chat Thai was in power.

Mr Banhan has described the allegation as politically motivated nonsense designed to discredit his party.

Mr Westander said Mr Banhan could establish his innocence by ordering a thorough investigation. The Swede, who had researched the international arms trade for 16 years said a huge sum was paid before the election.

Offering his fullest co-operation, he said he could help clarify the issue if requested by Thai MP's.

Maj Gen Sanan Khachonprasat, the Democrat secretary-general, said he would name a person, believed to be Kockums's Thai representative, who had offered the party money before the election.

Of seven countries vying for the 17-billion-baht order, Kockums and HDW of Germany had emerged the principal competitors.

PDP deputy leader Thawin said the Chat Thai-led government should show sincerity by investigating the allegation, not denying it, because it affected many parties.

"If the government does not clear up this matter, it would be suspected of involvement as alleged. Leaving it unclear would only damage the country," said Mr Thawin, whose PDP is one of seven coalition parties.

Sweden must have effective measures to check transfers of money through banks and financial institutes, said Mr Thawin. Dismissing suggestions it was unusual for money to be paid before governments were formed, he said parties wanted contributions for election campaigns.

Mr Banhan said he regarded the issue as over and should not be further escalated. The Foreign Ministry had made representations to the Swedish ambassador, who had said the allegations were unfounded he said.

The Navy had made clear it planned to procure two submarines but had yet to make a decision, he said, and the government had not yet set aside a procurement budget.

Since the allegations were made in Sweden by a private individual, they would be difficult to investigate, and Stockholm would not be able to do much about them, said Mr Banhan.

"I think the matter should be over because it is unfounded. However, the Opposition can submit a motion to seek a government explanation."

Mr Banhan said he was unaware Chat Thai secretary general Sano Thianthong had been a close associate of a Kockums agent in Thailand.

Judicial Affairs Office secretary-general Charan Phakdithanakun, an adviser to Mr Banhan, said any Chat Thai legal action against the Stockholm daily would have to be launched in Sweden.

Current Account Concerns Caused by Fresh Data

BK0112082195 Bangkok BUSINESS DAY in English 1 Dec 95 p 1

[Report by Staff Writer Brett Cole]

[FBIS Transcribed Text] The country's current account shortfall dominated the monthly press conference at the Bank of Thailand (BOT) yesterday when the central bank released a slew of economic statistics.

Bandit Nitchathawon, director of the economic research department at the BOT, said the current account deficit for the first nine months of this year almost hit the central bank's target for the whole of 1995.

Dr Bandit said the current account deficit in the first nine months was 254.1 billion baht, while the BOT's target for the current account deficit over the whole of 1995 was 257 billion baht. The current account deficit takes into account imports and exports of merchandise payments, receipts for services such as shipping, banking and tourism, private transfers like remittances and contributions to international bodies.

"Look at the first nine months, the deficit is running slightly ahead of what we anticipated," Dr Bandit said. "The strength of domestic demand has led to a strong momentum for imports."

He said the rapid appreciation of the yen and deutschemark in the first seven months of the year accentuated the current account deficit.

Dr Bandit said the BOT was concerned about the size of the current account deficit but added it would not balloon beyond expectations as domestic demand is moderating.

"In a way it is of concern, we are monitoring it very carefully," Dr Bandit said. The question is how domestic demand will evolve. Domestic demand is moderating and import growth may moderate too."

Among the flood of statistics released by the central bank, the BOT said the trade deficit was 264.2 billion baht in the first nine months of the year while the trade deficit in October widened to 34.9 billion baht.

In October the BOT estimated imports rose 37 percent year on year to 161 billion baht. Exports for the same period increased 20.5 percent to 126.1 billion baht year on year.

Bank deposits in October were estimated at 3.079 billion baht, said the BOT, a 19.6 percent rise year on year.

Commercial bank credit jumped 28.1 percent in October year on year to 4.138 billion baht, according to central bank estimates.

M2, a measure of money supply in the economy, stood at 3.204 billion baht in October, the BOT said, up 20.2 percent year on year.

The central bank estimated the manufacturing production index in October increased 8.2 percent year on year, while the BOT's private investment index advanced 14.7 percent year on year.

The country's foreign reserves in October was estimated at $35.7 billion, said the central bank.

The estimated minimum lending rate, minimum retail rate and one year fixed deposit rate at the end of October was estimated by the BOT to be 13.50-13.75, 13.50-14.25 and 10.25-11.00 percent, respectively.

The average interest rate for interbank borrowings in October was 8.66 percent, said the central bank.

UN Call for Halt to Nuclear Testing Supported

BK2411044695 Bangkok BANGKOK POST in English 24 Nov 95 p 9

[Unattributed report]

[FBIS Transcribed Text] Thailand has joined 94 other countries at the United Nations in calling for an end to nuclear testing, a Foreign Ministry spokesperson disclosed yesterday.

Other members of the Association of Southeast Asian Nations also supported a resolution passed by the UN General Assembly on November 16.

The resolution "strongly deplores all current nuclear testing and strongly urges the immediate cessation of all nuclear testing."

It also encourages nations with nuclear weapons to maintain a moratorium on nuclear tests pending a comprehensive test ban treaty which the UN is trying to wrap up within the next year.

China, France and the United Kingdom were among 12 nations which voted against the resolution, while the United States, Russia and 43 other countries abstained.

China conducted a series of tests on its mainland this year while France continues with its plans at Mururoa Atoll in the South Pacific.

The Foreign Ministry had earlier been criticised by the Opposition and non-governmental organisations for its soft stance.

Public Hearing Committee Meeting 24 Nov Reported

BK2411084495 Bangkok Radio Thailand Network in Thai 0530 GMT 24 Nov 95

[FBIS Translated Text] Reporting on the meeting of the Public Hearing Committee at the office of the permanent secretary of the Prime Minister's Office, Committee spokesman Prasit Khowilaikun said at the Government House this morning that a subcommittee would be set up to consider the complaints of Watthana Atsawahem and Narong Wongwan, the two charged with involvement in narcotics trafficking. The meeting today ruled that these two persons are entitled to seek the service of the Public Hearing Committee in order to learn the facts. The committee will work in cooperation with the Police Department and the Office of the Narcotics Control Board. Members of the general public who have evidence against the two can present it to the secretary general of the Office of the Narcotics Control Board.

Supreme Commander: Army Not Involved in Politics

BK1911142495 Bangkok THAILAND TIMES in English 19 Nov 95 p A3

[Unattributed report]

[FBIS Transcribed Text] Bangkok — The Supreme Commander of the Army General Wirot Saengsanit yesterday said the Army will not get involved in politics.

Gen Wirot said he does not see any serious problem in the government at this time.

"The Army is the Army, politics is politics. They are completely separate," he said.

Some critics believe that the government will not be able to solve the present political and economic problems and the army will interfere. However, Wirot said, whatever happens in politics or the economy, the Army will not get involved.

The country's economic problems might affect the military budget in such a way that it will receive less for their budget allocation next year, Wirot said. But that is a minor issue, he added.

Wirot further said he considered the decrease of the share prices in the stock market at this time a minor aspect of the whole economics of the country.

The stock market has been capturing headlines since retail investors demonstrated against the system of maintenance margin and the forced sale system recently launched by the board of the Stock Exchange of Thailand (SET).

"We want to affirm that the military's duty is to maintain the security of the country and the people," Wirot said.

Vietnam

Philippines' Ramos Hosts Banquet for Le Duc Anh

BK3011130495 Hanoi Voice of Vietnam in English 1000 GMT 30 Nov 95

[FBIS Transcribed Text] Filipino President Fidel Ramos and his wife gave a banquet in Manila on Wednesday evening [29 November] in honor of the visiting President Le Duc Anh and his wife.

In his welcoming speech, President Ramos highly appreciated the visit by President Le Duc Anh. The Filipino president said that history has brought the two countries together as friends, as partners, and as neighbors in the family of ASEAN. The president recalled his good impression during his visit to Vietnam in March 1994, and added that since then friendly relations and cooperation between the two countries have achieved much.

President Ramos said that his country would continue to encourage Filipino companies to invest in Vietnam and to do business with Vietnam. He voiced his country's support to (?accept) Vietnam into the World Trade Organization and the Asia-Pacific Economic Cooperation council, or APEC.

President Ramos expressed pleasure at signing an agreement on cooperation in education and other agreements during the visit. He added that close relations and cooperation between the two countries in many areas have helped them settle disputes over the East Sea [South China Sea]. In early November, diplomats from both countries agreed on the principles of solving all disputes peacefully and implementing measures to hinder conflicts.

President Ramos concluded that like Vietnam, the Philippines opposes any actions that threaten another country's security and stability in the East Asia.

In his reply, President Le Duc Anh thanked the warm welcome of the Filipino president and people to him and to his entourage and expressed the pleasure at the development of relations between the two countries. President Le Duc Anh welcomed the achievements recorded by Filipino people in implementing the plan to turn the Philippines into a new industrialized country until the year 2000. President Le Duc Anh believed that Vietnam and the Philippines would remain good friends forever.

Le Duc Anh Visits SRV Embassy in Philippines

BK0112045495 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 30 Nov 95

[FBIS Translated Text] The state President Le Duc Anh and his wife visited our embassy in the Philippines tonight. Vu Quang Diem, ambassador extraordinary and plenipotentiary to the Philippines; all the cadres and employees of the embassy; and representatives of the Vietnamese people who are working, studying, and living in the Philippines were happily received President Le Duc Anh and his wife.

President Le Duc Anh briefed them on our national socioeconomic development and urged the Vietnamese community in the Philippines to try their best to consolidate and strengthen ties between the peoples of the two countries.

Le Duc Anh Visits Subic, Rice Research Center

BK0112045695 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 30 Nov 95

[Report by Truong Cong Hoa from Philippines]

[FBIS Translated Excerpt] Today is the second day of the official friendship visit to the Philippines by President Le Duc Anh.

In the morning, he and his entourage laid a wreath at the Riral National Heroic Momument in the center of Manila. President Le Duc Anh and his wife also visited the special economic zone of Subic in Luzon island, about 80 kilometers north of Manila.

Mr. Richard Gordon, chairman of the Subic Bay Metropolitan Authority [SBMA]; his wife, Mrs. Gordon, member of the Philippine Parliament and Subic City mayor; and many SBMA high-ranking officials warmly welcomed President Le Duc Anh and his wife. [passages omitted on reception ceremony and statements of Mr. and Mrs. Gordon]

Dear friends, after leaving Subic, President Le Duc Anh and his wife visited the International Rice Research Center, a big rice research center in Asia that has helped Vietnam with many high- yielding rice strains and also in training Vietnamese agricultural cadres.

President Addresses Businessmen in Manila

BK0112150895 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 1 Dec 95

[Telephone report by Truong Cong Hoa]

[FBIS Translated Text] Dear friends: Today, 1 December, was the third day of President Le Duc Anh's official friendship visit to the Philippines.

In the morning, he received courtesy visits from Senate Chairman Mr. Neptali Gonzales and Mr. (Jose de Venezia), chairman of the House of Representatives. President Le Duc Anh expressed delight at his first visit to the Philippines and his sincere thanks for the friendly and solemn reception that President Fidel Ramos and the government and people of the Philippines have accorded him and his delegation. President Le Duc Anh also expressed his belief in the strong future development of Vietnamese-Philippine relations in the interest of the two peoples and for peace, stability, and social progress in the region and the world. The two sides exchanged views on issues of common concern. The chairmen of the Philippine Senate and House of Representatives expressed their wish to continue multifaceted relations with the state, National Assembly, government, and people of Vietnam. They also reaffirmed the Philippines' support for Vietnam's early admittance to the Asia- Pacific Economic Corporation Forum, APEC. The two chairmen thanked President Le Duc Anh for his visit at this special time and wished his official friendship visit to the Philippines success.

Also in the morning, Vietnamese ministers and deputy ministers in the delegation had working sessions with their counterparts in the Philippine Government, and Vietnamese businessmen worked with their Philippine partners.

At 1000 Hanoi time, or 1100 Manila time, President Le Duc Anh attended a meeting between Vietnamese and Philippine businessmen organized jointly by the Vietnamese and Philippine Chambers of Commerce and Industry. After the welcoming speeches by the president and deputy president of the Philippine Chamber of Commerce and Industry, President Le Duc Anh addressed the audience:

[Begin Le Duc Anh recording] The large participation in this meeting by representatives of the Philippine and Vietnamese Governments and trading agencies confirms the interest of both sides in continuing to develop economic, trade, and investment cooperation between our countries. This meeting today will contribute to the further strengthening of mutual understanding and friendship between the business communities of the two countries. This will be the foundation for future long-term cooperation and will enrich the various forms of cooperation that already exist between us. [end recording]

In his address to the businessmen, President Le Duc Anh also stressed that the success of his official friendship visit to the Philippines, Vietnam's friendly neighbor, opens a new page in the cooperative and friendly relations between the two countries. He urged Philippine officials and businessmen to step up their close cooperation with Vietnam in economic cooperation, technology transfer, investment promotion and development, culture, and science and technology in the interest of the two peoples and for the construction of a peaceful, friendly, cooperative, and prosperous Southeast Asia.

Dear friends, in the afternoon President Le Duc Anh and his wife left Manila to visit the ancient city of Cebu in the south, the Philippines' second economic center. President Ramos and his wife came to the Manila Hotel where President Le Duc Anh was staying to bid farewell to President Le Duc Anh and his wife. Before leaving Manila, President Le Duc Anh and his wife paid a visit to the Philippine miniature village, a special cultural project in Manila that introduces the land and people of the Philippines.

Deputy Prime Minister Receives PRC Delegation

BK0112154495 Hanoi VNA in English
1511 GMT 1 Dec 95

[FBIS Transcribed Text] Hanoi VNA Dec. 1 — Deputy Prime Minister [P.M.] Phan Van Khai received here today a delegation of the Chinese Ministry of Supervision headed by Deputy Minister Mr. Li Zhilun now on a working visit to Vietnam.

Mr. Li Zhilun expressed his pleasure to see with his own eyes the achievements recorded by the Vietnamese people in their renovation process. He said he hoped that the cooperative ties between state inspectorates of the two countries would be further promoted.

Deputy P.M. Khai hailed the Vietnam visit of the delegation as well as its goodwill in cooperating with Vietnam in the inspection field. He expressed his belief (?that) the friendship between the two countries, which have been consolidated and developed recently, will serve as a firm basis for accelerating bilateral cooperation, and assistance between different branches in general and supervision in offices particular.

Deputy General Inspector Duong Ngoc Son was also on hand at the reception.

Thai Envoy Reviews Investment in Nation

BK3011160095 Bangkok KRUNGTHEP THURAKIT in Thai 27 Nov 95 p 4

[Unattributed Report]

[FBIS Translated Text] Chaloem Ek-uru, Thai ambassador to Vietnam, disclosed that Thai investment in Vietnam has declined recently. From its former rank of 12th top investor in Vietnam, Thailand is now listed as the 14th, with 52 projects involving a total investment capital of $369 million. Most of the Thai investment in Vietnam is in the service sector and processing industries.

The first-ranked investor in Vietnam is Taiwan, followed by Hong Kong, Japan, Singapore, South Korea, and the United States respectively. Meanwhile, Japanese investment, mostly in the automobile production industry, is rising remarkably.

The ambassador attributed the decline of Thai investment in Vietnam to the lack of confidence in the government of the country, dubious rules and regulations, and red tape, which often cause difficulties for those seeking permission from the authorities. Therefore, he recommended that Thai investors merge themselves into groups to do business in Vietnam after having thoroughly studied the markets.

However, the Thai Government should also give strong support to Thai investment in Vietnam and make full use of the Indochinese Development Fund and expedite the development of Highway No. 9. The ambassador noted that it is rather unfortunate that Thai investment in Vietnam is still at a low level compared with that from other, more distant countries. Thai investors should pay close attention to investment in Vietnam, where natural resources are still plentiful.

Netherlands Grant Supports Balance of Payments

*BK0112052295 Hanoi Voice of Vietnam in English
1000 GMT 30 Nov 95*

[FBIS Transcribed Text] An entire grant of approximately $5 million will be contributed by the Netherlands Government to support Vietnam's balance of payment. A press release from the Dutch Embassy in Hanoi said that the grant reflected the confidence of the Netherlands Government in Vietnam's microeconomic and social policy.

Vice President Pays Official Visit to Senegal

*BK0112054095 Hanoi VNA in English
1247 GMT 30 Nov 95*

[FBIS Transcribed Text] Hanoi VNA Nov. 30 — Vice President Nguyen Thi Binh has paid an official visit to the Republic of Senegal at the invitation of Senegal's President Abdou Diouf.

During her four day visit which concluded on Tuesday [28 November], she held talks with the Senegalese prime minister and paid a courtesy call on the Senegalese National Assembly chairman.

The Senegalese leaders recalled their fond sentiments towards the national struggle of the Vietnamese people, and reiterated the need to enhance relations for mutual understanding and particularly for cooperation between the two nations.

Deputy Foreign Minister Tran Quang Co, who was accompanying the vice president, signed a frame-work agreement on cooperation in economy, trade, culture, science and technology with the Senegalese minister for foreign affairs.

Vo Van Kiet Receives Russian Academy President

*BK0112104595 Hanoi VNA in English
0720 GMT 1 Dec 95*

[FBIS Transcribed Text] Hanoi VNA Nov.30 — Prime Minister Vo Van Kiet received here yesterday the visiting president of the Russian Federation's Academy of Sciences, Mr. Yuri Sergeyevich Osipov.

Speaking to his guest, Prime Minister Kiet highly valued Russian scientists' great contributions to many major scientific projects in Vietnam as well as to the training of Vietnamese scientists and technicians. He said he hoped that the Russian academicians and experts would further cooperate closely with Vietnam in the science field thus contributing to the promotion of the fine relationship between Vietnam and Russia.

In his reply, Mr. Y. S. Osipov said he believed that the maintenance of close cooperation in science and technology between Vietnam and Russia would bring great benefit to both countries.

On this occasion, Mr. Y. S. Osipov presented a replica of the Lomonosov Golden Order of the Russian Academy of Sciences to Prime Minister Vo Van Kiet.

Prime Minister Visits Song Be Province

*BK2911133495 Hanoi Voice of Vietnam Network
in Vietnamese 2300 GMT 28 Nov 95*

[FBIS Translated Text] Prime Minister Vo Van Kiet recently paid a working visit to Song Be Province. The prime minister toured a number of industrial complexes in Thuan An and Ben Cat Districts. He heard reports by the leading comrades of the province on the achievements made over the years as well as the orientations and tasks for socioeconomic development in the years to come.

Prime Minister Vo Van Kiet showed special interest with regard to the socioeconomic development tasks and plans to be carried out by Song Be Province. He paid attention to those planning activities, both general and detailed, designed to map out steps to be taken in each stage of development.

As Song Be Province is geographically located in an area convenient for industrial development, the province's plan to build various industrial centers is a step in the right direction. These industrial centers will create a strong motivating force for the province and for the south — a key economic area. As industrial crops such as rubber trees, pepper, and coffee are an area where Song Be Province is strong, the province must concentrate on building specialized cropping areas. The breeding of large animals such as cattle and buffalo is also an area where the province has an advantage. The province must develop animal husbandry, both within families and on an industrial scale.

The prime minister said: Along with economic development, Song Be Province must concern itself with carrying out cultural and social development. Specific attention must be paid to providing training to the work force and creating employment. Boarding schools for ethnic students must be expanded to provide education for the children of those compatriots living in mountain, barely accessible, and remote areas.

Cabinet Discusses Socioeconomic Tasks for 1996

BK0112104895 Hanoi VNA in English
0720 GMT 1 Dec 95

[FBIS Transcribed Text] Hanoi VNA Dec.1 — The cabinet met in Hanoi from November 28-30 with Prime Minister Vo Van Kiet chairing to discuss the ways and means to carry out the 1996 socio-economic development plan which has been approved by the National Assemoly.

The cabinet was of unanimous view that the steps and measures to be taken in the next year were to promote investment sources throughout the country and realise the plan on capital construction investment with state budget allocation for both central and local levels, as presented by Do Quoc Sam, minister of planning and investment, at the meeting.

The government also discussed guidelines and measures to ensure impartiality between commodities, money and prices as well as between imports and exports. It had a far-reaching discussion about various policy mechanisms to address the implementation of the 1996 state plan. Due attention was paid to the principle that budget revenue and expenditure by all ministries, offices and localities across the country must conform with the National Assembly's resolution adopted at its year-end session and with relevant laws.

The meeting devoted much time to debate effective measures due to be taken to accelerate state control over activities in the cultural sectors. The participants stressed 'in recent years, negative phenomena has been growing in the cultural sector and other services such as karaoke bars, massage parlours and dancing places. Many have operated without permits or licences.'

Also at the meeting, the cabinet was briefed on the developments of Vietnam-US trade ties, a draft resolution by the government on housing floor space for public offices and a draft ordinance on the militia.

Addressing the closing meeting, Prime Minister Vo Van Kiet laid emphasis on the significance of 1996, the first year of the next five-year state plan. He said: 'efforts should be stepped up to keep market prices stable in the period prior to and after the coming lunar new year festival (Tet), to continue maintaining social and traffic order and safety, and to restore public order and law-enforcement in the cultural and service sectors.

20 Mass Media Agencies' Branches in Nation

BK2911134595 Hanoi Voice of Vietnam Network
in Vietnamese 0500 GMT 29 Nov 95

[FBIS Translated Text] To date, 20 news agencies and radio and television networks have established representative offices in Vietnam. Japan alone has eight mass media agencies with offices here.

The head of Japan's KYODO office in Vietnam says that the large presence of Japanese mass media agencies in Vietnam reflects the considerable interest in the open-door policy and renovation undertaking of the Vietnamese Government. He confirmed that in the past three years the volume of information on Vietnam in Japanese mass media has been increasing significantly.

Highway Project 'Attracting' Foreign Investors

BK0112020095 Hanoi Voice of Vietnam in English
1000 GMT 30 Nov 95

[FBIS Transcribed Text] Highway No. 1 is the transport artery of Vietnam's economy. It is attracting great interest among Vietnamese people and foreign investors. A foreign investment project in Vietnam, the Highway No. 1 project, is of specific importance not only because of its huge size but also because of its political, economic, and social impact.

Rehabilitation, upgrading, and gradual modernization of the trans-Vietnam highway will be a brilliant symbol of the country in its renovation process. Highway No. 1 is 2,300 km long, starting from Friendship Gate along the northern borderline with China in Lang Son Province to the southernmost Cape of Camau in Minh Hai Province. It links most of the provincial capitals and cultural, political, and economic centers of the country. Highway No. 1 is also an (?important) part of the local and international transport system. During the war years, the road was seriously damaged by bombs and shells.

Many international financial institutions and developed countries have granted Vietnam nonrefundable aid or loans with preferential interest rate for feasibility study, surveys, designing, and upgrading of the highway. The project is divided into two phases. The first phase will focus on the rehabilitation of two motor lanes and two bicycle lanes, each 1.5-2.5 meters wide and partially upgrading. [sentence as heard]

With this orientation, a number of projects are already being implemented or to be implemented along Highway No. 1. The Asian Development Bank has signed a credit agreement lending Vietnam $114 million for the upgrading of Ho Chi Minh City-Nhatrang portion, totalling 439 km, while the World Bank granted Vietnam a $176 million loan for the rehabilitation of the Hanoi-Vinh and Ho Chi Minh City-Can Tho sectors. Meanwhile, the Overseas Economic Cooperation Fund of Japan has assigned a loan for construction and rehabilitation of 38 bridges along the highway. The Australian Government, through AUSAID, and Danish Government, through DANIDA [Danish International Development Agency], have assisted Vietnam in the feasibility study, surveys, designing, and upgrading of some ports, quays, and piers.

To implement these projects, the Vietnamese Ministry of Transport and Communications has set up Project Management Unit No. 1. Much work has to be done and many difficulties are lying ahead. The project management unit is determined to be thorough in its work in the rehabilitation and upgrading of the trans-Vietnam highway, the backbone transport line of the country in service of economic management.

Ministry Revises Cement Import, Export Taxes

BK0112052395 Hanoi VNA in English
1218 GMT 30 Nov 95

[FBIS Transcribed Text] Hanoi VNA Nov. 30 — The Ministry of Finance has issued Decision No. 1202 TC/QD/TCT amending cement import and export taxes.

Under the decision, valid from Dec. 1, 1995, the import and export of clinker, portland cement, while cement and alum cement will be taxed at five percent.

In regard to imported clinker, if the tax incurred then brings about a loss in the production of cement, the cement corporation is responsible to report this loss to the Ministry of Finance for a decision on turnover tax exemption.

Australia

Government Urges ASEAN To Pressure SLORC

LD0112123095 Melbourne Radio Australia in English 1100 GMT 1 Dec 95

[FBIS Transcribed Text] Australia has urged the Association of South East Asian Nations [ASEAN] to put pressure on Burma's military rulers to enter a dialogue with the opposition National League for Democracy. The Australian foreign minister, Gareth Evans, who is visiting Bangkok, urged Thailand to encourage other ASEAN members to take action on the issue. The leaders of the seven ASEAN countries will be holding a summit in the Thai capital later this month. From Bangkok Margot Tawi reports.

[Tawi] Senator Evans said he thought there was regional concern that Burma's State Law and Order Restoration Council, or SLORC, was evidently unwilling to make any concessions to draw Nobel Peace Prize laureate Aung San Suu Kyi's National League for Democracy into the political process. SLORC expelled 86 NLD MPs from its national constitution convention for staging a mass boycott in protest that the ruling junta had no intentions for shaping a democratic constitution. Senator Evans warned against extending too rapidly or readily the ASEAN embrace, urging that it should be used as a carrot to be delivered when the SLORC made some effort to engage in dialogue with Suu Kyi's NLD. He urged all ASEAN members to exert pressure on the military government to advance the constitutional process.

Envoy Downplays Australian Probe Into Deaths

BK3011080395 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 30 Nov 95

[FBIS Translated Text] The formation of a commission of inquiry led by Tom Sherman, chairman of Australia's National Crime Authority, to probe the deaths of five Australian journalists in Balibo 20 years ago is an internal matter for Australia.

Zakaria Sumintaatmaja, acting charge d'affaires of the Indonesian Embassy in Canberra, told reporters in Canberra that Indonesia knew nothing about the deaths of the Australian journalists who became victims of a civil war between warring groups in East Timor in 1975 when the territory was under Portuguese administration.

Zakaria Sumintaatmaja dismissed the allegations that they had been killed by ABRI [Armed Forces of the Republic of Indonesia] as an outright slander unleashed a handful of anti-Indonesian groups in Australia and Portugal. The groups will never stop conducting political maneuvers using all means to oppose Indonesia.

Cambodian Army Instructors Complete Training

LD2411124295 Melbourne Radio Australia in English 1100 GMT 24 Nov 95

[FBIS Transcribed Text] Fifty-five Cambodian army instructors have returned home after completing six weeks of jungle anti-guerrilla training in northern Australia. The instructors will train special Cambodian armed forces battalions which will operate in small mobile units against Khmer Rouge guerrillas. The Australian ambassador to Cambodia, Tony Kevin, told the newly-trained instructors that their ability to pass on what they had learned could influence the speed with which Cambodia dealt with the Khmer Rouge problem.

Wheat Board Purchases Stake in Egyptian Mill

LD0611143995 Melbourne Radio Australia in English 0900 GMT 6 Nov 95

[FBIS Transcribed Text] The Australian Wheat Board has announced its biggest international purchase: a $6 million stake in a flour mill and grain handling complex in Egypt. Tanya Petersen says the board sees the investment as a strategic move into the emerging Middle Eastern market.

[Petersen] The complex is to be built at Port Suez on the Red Sea, and should provide Australian growers with a unique opportunity to take advantage of one of the fastest growing and most rapidly changing wheat markets in the world. After negotiations in Cairo, board chairman Trevor Flugge said the investment will mean significant (?freight) advantages for Australian wheat, and, because the new mill will service a number of private sector mills in the Cairo area, there will be an excellent opportunity to get Australian wheat into the market place. The $6 million investment gives the Wheat Board a 30 percent holding in the mill, placing it as the majority shareholder.

Trade, Economic Agreement Signed With Canada

BK1611034995 Melbourne Radio Australia in English 0500 GMT 15 Nov 95

[FBIS Transcribed Text] Australia and Canada have signed an agreement on trade and economic cooperation. The agreement was signed in Canberra during the visit of Canadian Prime Minister Jean Chretien and marks the centenary of trade relations between Australia and Canada.

Under the arrangement, a bilateral ministerial-level group will be established to expand trade and investment between the two countries and encourage business cooperation. The group will meet every year. Australian

Prime Minister Paul Keating says the agreement demonstrates the commitment on both sides to reducing trade barriers between the two countries.

Strong Dollar Brings Debt to Under $181 Billion

BK0112103695 Melbourne Radio Australia in English 0500 GMT 1 Dec 95

[FBIS Transcribed Excerpt] Australian consumers have started their Christmas shopping but official figures show there is no early rush. Adrian Thyrst reports the statistics out today also point to a slight drop in the level of foreign debt.

[Begin Thyrst recording] [passage omitted] Other figures released today show Australia's foreign debt has improved just a touch to under $181 billion [Australian dollars] helped by a stronger dollar. It now stands at 39.3 percent of GDP. [end recording]

Fiji

Minister Criticizes India's 'Unfriendly' Behavior

LD2011110095 Melbourne Radio Australia in English 0700 GMT 20 Nov 95

[FBIS Transcribed Excerpt] Fiji's foreign affairs minister, Filipe Bole, has criticized what he called India's unfriendly and unwarranted behavior. In an interview with the FIJI POST newspaper, Senator Bole said India was conducting an international campaign against Fiji. He said it would not be possible for Fiji to normalize relations with India unless the Delhi Government changed its attitude. [passage omitted] Senator Bole said it was up to India to take the first step toward normalizing relations.

Kiribati

Condemnation of French Nuclear Testing Increased

LD2411110395 Melbourne Radio Australia in English 0900 GMT 24 Nov 95

[FBIS Transcribed Text] The Kiribati Government has stepped up its strong condemnation of France's nuclear testing program in the Pacific following the latest explosion on Mururoa Atoll. Kiribati severed diplomatic ties with France after the first test. A release from the Ministry of Foreign Affairs said the fourth test has further widened the gap between Kiribati and France. It says Kiribati will continue to urge other Pacific neighbors to voice their condemnation and protest more strongly against France and its nuclear testing activities. Kiribati said security based on the development of nuclear weapons is not sustainable. It says what is more sustainable is respect and regard for the interest and welfare of other sovereign nations.

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